

Algeria	400 Dz.	Israel	1,700 Dz.	Norway	7,000 NJK
Austria	20 S.	Iraq	1,500 Ltr.	Oman	9,700 Kals
Bahrain	6,620 Dz.	Iordan	450 Ft.	Portugal	70 Dz.
Belgium	45 S.L.	Kenya	20,000	Costa Rica	4,500 Kals
Canada	C. 1,20	Kuwait	500 Ft.	Czechoslovakia	70 P.
Cyprus	200 Dz.	Lebanon	10,000	South Africa	6,000 V.
Denmark	100 Dz.	Lebanon	10,000	Spain	110 P.
Egypt	100 Dz.	Liberia	10,000	Sweden	7,100 S.
Finland	700 F.M.	Liberia	10,000	Switzerland	5,200 S.
France	100 F.	Madagascar	105 K.	Turkey	1,450 Dz.
Germany	2,90 D.M.	Malta	25 Cents	Turkey	1,400 Dz.
Great Britain	50 P.	Morocco	4,50 Dz.	U.S.A.	4,50 Dz.
Greece	115 K.	Netherlands	2,75 Ft.	U.S.S.R.	9,00 S.
Iraq	115 K.	Nigeria	170 K.	Yugoslavia	240 D.

U.S., Soviet Agree On Talks Format For Geneva Meeting

By Lou Cannon
Washington Post Service

WASHINGTON — U.S. and Soviet diplomats have agreed on a preliminary format for a Geneva summit meeting, which President Ronald Reagan intends to use partly as a forum to forcefully question Soviet military and human rights policies, a senior Reagan administration official said.

Mr. Reagan and the Soviet leader, Mikhail S. Gorbachev, are to meet Nov. 19 and 20. A U.S. official who discussed preparations for the Geneva meeting said Saturday that the two leaders would hold a

total of nine hours of formal discussions and spend another two to three hours with each other at meals and receptions.

Under the preliminary plan, the first day would be spent in a general exchange of views. The second day of discussions would be divided into four specific areas of discussion that the official listed as regional issues, bilateral issues, human rights and arms control.

The human rights issue could become a sticking point before the final agenda is decided, officials have acknowledged. It is considered unlikely that the Soviet Union would agree to describe any agenda item as a discussion of "human rights" even though they recognize that Mr. Reagan may raise the issue on both days of the talks.

The official who discussed the summit preparations said that the arms control discourse comes at a "propitious moment" for both sides" because of new U.S. and Soviet weapons systems that are in the development stage. He suggested that it would be easier to agree not to deploy new nuclear missiles than to dismantle them once they are deployed.

While the U.S. official did not emphasize the matter Saturday, Mr. Reagan has made it clear that he intends to present his proposal for an anti-missile space-based defense system, called the Strategic Defense Initiative.

While Soviet officials have repeatedly denounced this proposal, Marshal Sergei F. Akhromeyev, the Soviet chief of staff, indicated in June that the Russians would accept continued research on space-based defenses and might reduce the Soviet nuclear arsenal if, in response, Mr. Reagan agreed to limit testing and development of the defense system.

The U.S. official dismissed the value of secondary agreements on trade, cultural, maritime and aviation relations that are likely to come out of a summit meeting. He said that "the real telling measure of the meeting" would be determined by whether Mr. Reagan and Mr. Gorbachev could agree on an agenda for solving major issues dividing the two nations.

The official said that Mr. Reagan has emphasized in "very explicit and lengthy" instructions that he wants an "exchange on fundamental" with Mr. Gorbachev.

"He wants to say that we have no hostile intentions to the Soviet Union, that you are a great power, that we don't seek to alter that, that you need not fear the United States trying to alter, overthrow or fundamentally change your system," the official said.

"That said," the official continued, "we have some misgivings about whether you have the same benign intentions and we want to talk about that. There's Afghanistan. There is generally your policy of not providing for development of developing countries" and of not sending them food for peace or agriculture, but weapons.

"This implies that your sense of the revolution is imperialistic, that you're really trying to expand Soviet influence," he said.

"Why should we not talk about that? Let's talk about weapons. It looks as if you're building beyond any reasonable scale of defense. Tell us how that isn't true."

The U.S. official who described the approach as representing Mr. Reagan's views said that the president was preparing for the summit meeting by reading basic "foundation pieces" about the Russians that have been prepared by his national security affairs advisers.

Starting in September, when he returns from his California ranch, Mr. Reagan is to convene principal cabinet officials and advisers "in intimate settings" and hold weekly meetings in preparation for the summit meeting, the official said.

The government has rejected most of the Tamil demands, saying that they amount to a blueprint for a separate state.

Sources said the Bhutan was chosen as the site for the talks to restrict outside pressure from hardliners on both sides.



A man kicks the body of a black soldier who was stoned to death and burned by funeral-goers at the burial of a slain

civil rights lawyer, Victoria Mxenge, on Sunday at Rayi township, in the South African tribal homeland of Ciskei.

Reporters

King William's Town, South Africa — Black mourners, aroused by funeral speeches calling for the violent overthrow of white-minority rule, stoned a black soldier to death and burned his body Sunday.

The incident occurred near the

end of an otherwise peaceful cere-

emony for Victoria Mxenge, a civil

rights lawyer from Durban whose

murder Aug. 1 touched off riots

that killed more than 60 blacks and

injured about 500 last week in that

city. The police and a hospital in

Durban reported nine additional

deaths overnight.

There was further strife between

blacks and Indians in Inanda town-

ship near Durban, where about 30

persons were killed in clashes on

Friday.

Perched in trees and standing on

a dusty field, 10,000 mourners near

King William's Town heard Steve

Tshwete, who gave one of the

speeches, declare, "If we have to

shoot to get our liberation, we are

going to shoot."

As mourners walked across a

road to take the body to a cemetery

a half-mile away, a truck carrying

three black soldiers approached,

apparently disinterested in the

funeral and en route to another desti-

nation. The crowd pelted the truck

with stones, breaking every win-

dow.

One policeman jumped out and

tried to run away. He fell under a

hail of stones about 200 yards

(about 180 meters) from the funeral

site. Youths piled branches on his

body and burned it. They pushed

back reporters and shouted, "No

photographs."

Last month a black woman, ac-

Mourners Kill Black Soldier In South Africa

Compiled by Our Staff From Dispatches

KING WILLIAM'S TOWN, South Africa — Black mourners, aroused by funeral speeches calling for the violent overthrow of white-minority rule, stoned a black soldier to death and burned his body Sunday.

The other two soldiers, brandish-

On Page 2

■ Asians in Durban are leading a precarious existence.

■ Pope John Paul blamed riot-

ing on "unjust" white rule.

ing an automatic rifle, drove through the crowd and escaped. The soldiers belonged to the forces of Ciskei, a tribal homeland declared independent by South Africa but unrecognized by the rest of the world.

The funeral took place in Rayi township, a Ciskei community four miles (about 7 kilometers) from the rural white center of King William's Town.

Flags of the exiled African National Congress, the main guerrilla movement conducting a sabotage campaign against white control, were tied in trees. The crowd raised flags and chanted, "Viva ANC, viva comrade Oliver Tambo, viva Nelson Mandela."

Mr. Tambo is president of the African National Congress and Mr. Mandela, serving a life sentence for conspiring against the government, is regarded by most blacks their main political leader.

Meanwhile, in Inanda, a peace rally attended by several Indians and thousands of Zulus who carried spears, shields and guns broke up in chaos.

Leaders of the Zulu Inkatha group loyal to Chief Gatsha Buthe-

(Continued on Page 2, Col. 7)

Policy Could Harden, U.S. Warns Pretoria

By Gerald M. Boyd
New York Times Service

WASHINGTON — The Reagan administration has told South African officials that an "emotional climate" exists in the United States that could harden U.S. policies toward that country, a senior administration official said.

The official said Saturday that this view was presented during a meeting Thursday in Vienna of high U.S. and South African officials. The senior U.S. official said he had presented the assessment to South African officials to acquaint them with what he called the realities in the United States, including

the possibility that Congress might pass economic sanctions against South Africa despite the opposition of President Ronald Reagan.

The official steered reporters away from reports that the lifting of South Africa's state of emergency and the freeing of Nelson Mandela, the anti-apartheid leader who has been imprisoned for more than 20 years, were included in the measures discussed by Robert C. McFarlane, President Reagan's national security adviser, and Foreign Minister R.F. Botha of South Africa.

[Mr. Botha said Saturday on his return to Johannesburg that his

government wanted to release Mr. Mandela but had not agreed on the terms, the Los Angeles Times reported. "There are members of the South African government who believe he has been in jail for many years and ought to be set free," Mr. Botha said of Mr. Mandela. "The question now is how."

[The government has offered to free Mr. Mandela if he would renounce violence in the fight against apartheid, but Mr. Mandela, 67, has refused to accept any conditions for his release.

[Questioned about reports that he had informed U.S. British and West German officials that Mr.

(Continued on Page 2, Col. 6)

U.S. Stealth Bomber Is a 'Flying Wing,' Goldwater Says

By Wayne Biddle
New York Times Service

WASHINGTON — The secret stealth bomber being developed by the U.S. Air Force is the shape of a flying wing, essentially an aircraft with no fuselage or tail, according to Senator Barry Goldwater, who has provided the first full-scale model of the plane a year ago and would examine it again next week on the West Coast. The Stealth which is to succeed the B-1 bomber in the 1990s.

"It does look like a flying wing," the aide, speaking Friday, quoted Mr. Goldwater as saying. Mr. Goldwater added that the air force soon begin to build a working prototype for test flights, the aide said.

There has been intense speculation about the unconventional flying-wing design in technical journals for several years. But the Defense Department has kept tight security over the Stealth program since its existence was disclosed by the administration of President Jimmy Carter in 1980.

The flying-wing design is thought to offer the least detectable shape to radar, as there would be no high tail or broad fuselage to reflect incoming radar signals.

The Northrop Corp. in Los An-

geles is the prime development contractor for the new aircraft. Northrop built and flew flying-wing military aircraft in the 1940s, but an air force plan to acquire large fleets of flying wings was never achieved.

Like the B-1, the Stealth bomber is designed to fly through enemy air defenses and drop nuclear bombs. The B-1 would rely mostly on low-level flight and electronic jamming to evade detection by defensive radars for as long as possible. But a flying-wing Stealth bomber would take advantage of its thin profile and new, radar-absorbent structural materials to attract far less notice than the B-1.

The Pentagon has yet to disclose any cost figures for the Stealth bomber, which is officially called the Advanced Technology Bomber. Wall Street analysts estimate that Northrop will receive \$1 billion annually from the Stealth program.

A Northrop official said Friday that the company was building a new facility for the air force at a cost of \$200 million apiece. Estimates given to Congress indicate each Stealth bomber might, at least in initial production, cost three times that amount.

The first flying-wing aircraft built by Northrop in the 1940s caused a controversy among engineers and military observers. The planes, one of which is in the Smithsonian Institution's Air and Space Museum here, had stability problems and, when propelled by jet engines, demonstrated only a marginal range for bomber missions.

With modern computer-aided flight controls, engineers now believe the stability problems that plagued flying wings in the past can be solved.

Range and weapon-carrying capacity, however, remain difficult issues, experts say. But the failure of a bomber able to evade radar detection has led designers to accept compromises that might otherwise be judged intolerable.

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Greenpeace Bombing Suspects Called French Agents

By Richard Bernstein
New York Times Service

PARIS — The two people charged in New Zealand with blowing up a Greenpeace ship last month were part of a Defense Ministry security team and held the ranks of captain and major in the French armed forces, the state-owned French radio said.

The radio said that the two, earlier identified as Alain Jacques Turange and Sophie Frédérique Claire Turange, were on a mission to collect information about the Greenpeace vessel

AMERICAN TOPICS



The Coke-Pepsi feud became a space war on the recent mission of the shuttle Challenger. Each company supplied specially designed containers to be tested by shuttle crew members. Tony England, left, tried a Coke, while Karl G. Henize sipped a Pepsi.

A Slight to Indiana Prompts an Invitation

An Indiana newspaper has turned a slight to the state into a possible remedy for cool U.S.-Soviet relations: It has invited editors of the Red Star newspaper in Moscow to tour Indiana to see firsthand that "Hoosiers are really not much different from Russians."

In a recent editorial, the Fort Wayne News-Sentinel offered rebuttal to a Red Star article that referred to Indiana as a "God-forsaken hole" and was critical of Richard G. Lugar, a Republican of Indiana, who is chairman of the Senate Foreign Relations Committee. Leaving Mr. Lugar to defend himself, the Fort Wayne paper took up its state's cause, saying, "Hoosiers will not sit idly by when derogatory comments are made about this fair state of ours."

"How would you like it if we started calling Siberia 'nasty names?'" the News-Sentinel said.

Suggesting that the Soviet editors were operating under "severe misapprehensions and mistaken notions," the newspaper invited them to "visit Indiana, adding that "such a trip might be the first part of a journey toward a new era of peace and understanding for the entire world."

Short Takes

The average cost of a college education is up 7 percent over last year, with the most expensive bill rising to \$17,210 for the 1985-86 academic year at Bennington College in Vermont, the Annual Survey of Colleges, published by the College Board, shows.

The survey, which tallied tuition, books, room, board, per-

sonal expenses and transportation for undergraduates at the 3,000 private and public colleges responding, found the cost of college was one percentage point ahead of last year's increase and several points ahead of inflation. Besides Bennington, the 10 most expensive colleges, and costs for one year, are:

Massachusetts Institute of Technology, \$17,030; Barnard College, \$16,842; Princeton University, \$16,790; Yale University, \$16,650; Harvard and Radcliffe College, \$16,500; Sarah Lawrence College, \$16,285; Stanford University, \$16,193; Tufts University, \$16,133; and Dartmouth College, \$16,120.

When Aaron Montgomery Ward first published his 163-item advertising pamphlet in 1872, he created a marketing revolution: the mail-order catalog. But the catalog, which once supplied mainly rural clients with everything from clothing to tombstones, will appear for the last time in December, the president of Montgomery Ward, Bernard Brennan, has announced.

Since 1980, the company has lost \$50 million annually. In discontinuing "the great wish book," Montgomery Ward plans to close 1,270 catalog sales agencies and revamp its stores, leaving Sears, Roebuck & Co., a competitor of Montgomery Ward since 1874, with the country's oldest—and still successful—general merchandising catalog.

Shorter Takes

The recording industry will build a Rock 'n' Roll Hall of Fame to honor artists and others who made significant contributions to rock. A location for the museum and archives will be es-

tablished in January when the first inductees are named. Cities under consideration for the new bastion of boogie are Chicago, Cleveland, Los Angeles, New Orleans and New York. . . . Karen Abdul-Jabbar, the 7-foot-2 (2.19-meter) center for the Los Angeles Lakers, who will be looking for movie roles to play after retiring from basketball next season, isn't worried about his height: "I won't ever have the problem that Alan Ladd did—standing on boxes, talking to his leading lady."

Coke Claims Victory: The First Sip in Space

The raging Coke-Pepsi rivalry reached cosmic proportions recently when astronauts aboard the space shuttle Challenger took soft drinks into orbit for the first time.

With full-page ads in papers around the United States last week, Coke declared victory in the great space race, proclaiming: "The first soft drink enjoyed in space was Coke. Of course."

Coke and Pepsi each flew four cans apiece on the Challenger flight that ended last week, and both drinks were tested, first Coke, followed by Pepsi eight hours later. The Coke space container was opened first, a National Aeronautics and Space Administration spokesman said, because Coca-Cola executives had submitted the first application to have their soft drink container evaluated on the flight.

Becky Madeira, Pepsi public relations director, shrugged off Coke's victory claim. "If they were first to be tested, it was the new Coke," she said. "And you can be sure the astronauts had to wash it down with a Pepsi."

—Compiled by AMY HOLLOWELL

Scientists Discover Fertility Hormone

By Harold M. Schneck Jr.

New York Times Service

NEW YORK — Scientists in California have discovered a long-suspected but elusive brain hormone that is a key regulator of fertility in humans.

The hormone, called prolactin-releasing inhibiting factor, has been found to inhibit the body's production of prolactin, which is crucial to fertility. The hormone also may have other functions in the brain, including an influence on behavior, according to the scientists who discovered it.

The discovery is considered important in shedding new light on the chemistry of human reproduction. The researchers say they believe it may lead to the development of new contraceptives and fertility drugs.

The discovery is described in two

reports in the current issue of *Nature*, the weekly British scientific journal, by a team of scientists from Genentech Inc., a biotechnology company in South San Francisco, and from the University of California at San Francisco.

Prolactin-releasing inhibiting factor is produced in the hypothalamus, a part of the brain vital to the overall regulation of hormone production.

Hormones produced in the hypothalamus regulate the production of many other hormones by the body's master gland, the pituitary. From the pituitary gland these hormones circulate in the body, affecting many organs. Thus, the body's complex hormonal system is a chemical orchestration of events, all directed ultimately by the hypothalamus.

The newly discovered hypothalamic hormone reduces the pituitary gland's production of prolactin, a hormone that stimulates milk production in women and, when present in excess amounts, reduces fertility in both sexes. That such an inhibitory hormone must exist had long been known and many scientists had sought it, but the results had been unsuccessful until now, according to experts in the field.

Dr. Robert M. MacLeod, an authority on prolactin, said the research had important implications.

An endocrinologist at the University of Virginia medical school in Charlottesville, Dr. MacLeod noted that the brain chemical dopamine inhibits prolactin and that drugs based on dopamine are available for treating infertility problems caused by excess prolactin. He added that the new discovery might suggest a means of treating tumors of the pituitary gland that involve excess prolactin production.

Although research in recent years has blurred the distinction between brain hormones and other chemicals found in the brain, dopamine is not ordinarily classed as a hormone.

Upjohn Designing Plant For Baldness Medicine

United Press International

KALAMAZOO, Michigan — The Upjohn Co. has begun planning work for a \$23-million plant to produce minoxidil, a medicine under testing to treat male baldness. The drug has not been submitted for approval to the U.S. Food and Drug Administration, company officials said.

Minoxidil tests have shown that a third of the patients using the preparation on their scalp achieved acceptable hair growth, a third grew fine hair or "peach fuzz" and the other third had no results. Reports of the drug have produced a rush for Upjohn stock.

Education Secretary Calls For Religious Debate in U.S.

By Keith B. Richburg

Washington Post Service

WASHINGTON — Education Secretary William J. Bennett, describing the American political order and the Judeo-Christian tradition as "wedded together," has called for a new "national conversation and debate on the place of religious belief in our society."

"Our values as a free people and the central values of the Judeo-Christian tradition are flesh of the flesh, blood of the blood," Mr. Bennett said last week, borrowing words used during the consecration at a Roman Catholic Mass in a speech to the Supreme Council of the Knights of Columbus, a Catholic lay organization.

"The fate of our democracy is intimately intertwined, entangled if you will, with the vitality of the Judeo-Christian tradition," he said.

Mr. Bennett's speech was the strongest to date from a Reagan administration official on matters of religion and government, and he predicted that he would be "charged with being divisive."

Civil libertarians accused him Wednesday of turning his office into a pulpit for his religious beliefs.

The education secretary has been increasingly critical of the Supreme

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Regan Plans 'Aggressive' Effort to Cut Budget

By David Hoffman

Washington Post Service

WASHINGTON — Donald T. Regan, the White House chief of staff, has selected new presidential assistants for politics and legislative affairs as he prepares a major fall campaign by President Ronald Reagan to press for budget cuts and tax revision. The campaign may include the vetoing of spending bills, Mr. Regan's aides say.

The chief of staff will name Mitchell E. Daniels Jr. to succeed Edward J. Rollins as White House political director, officials said. Mr. Daniels is a deputy to Mr. Rollins and was previously executive director of the Senate Republican com-

Highway Robbery Hits Miami

Outlaws Ambush With Stones Through Car Windows

By Jon Nordheimer

New York Times Service

MIAMI — A new breed of urban highwayman is stalking motorists in Miami.

Robbers are preying on drivers whose cars break down on local expressways, or ambushing drivers late at night after first stopping them with objects thrown through the windshields or placed on the road. These attacks take place on the highways themselves or on the ramps where motorists slow to enter or exit.

Some rush-hour commuters stalled in expressway traffic become victims of young thieves who spring up from embankments, smash car windows with bricks, snatch handbags or wallets, and escape back down the embankments as quickly as they appeared, vanishing into nearby houses.

Most of the ambushes have taken place on Interstate 95, where the 1,984-mile-long (3,174-kilometer) highway nears its southern end in downtown Miami. The six-lane highway at that point cuts through the Overton neighborhood, where there is easy pedestrian access from abouting streets.

The Florida Highway Patrol has deployed decoy teams in an effort to halt the highway robbers. Over the past several months, police women posing as stranded motorists have helped capture 17 men

troubling for Miami, where civic leaders feel that crimes stemming from drug trafficking and the arrival of tens of thousands of refugees in this decade have unfairly stigmatized the city as a dangerous place to live. This reputation has not been diminished by the popularity of the U.S. television series "Miami Vice," which portrays the city as a kind of wide-open badlands.

This portrait is in part borne out by U.S. crime statistics for 1984. Although the homicide rate for Dade County, which includes Miami, has declined from its 1981 peak, it still is the worst of any metropolitan area in the country, at 23.7 murders per 100,000 residents. The Federal Bureau of Investigation also reported that Dade County, with 1.7 million residents, is the second worst metropolitan area for the per capita incidence of all crime it categorizes as violent, exceeded only by Atlantic City, New Jersey.

In response to the robberies, Leonard Mellon, executive director of the Florida Department of Highways and Motor Vehicles, said that patrols on I-95 and connecting expressways were being increased. Extra patrols are to be mounted by troopers who normally work in radar zones to stop speeders, he added.

"This situation has all sorts of potential for fatalities," said Mr. Mellon. The outbreak is particularly

City to Investigate Police in MOVE Bombing

New York Times Service

PHILADELPHIA — District Attorney Edward G. Rendell says he will conduct a criminal investigation of the May 13 bombing by the police of a house occupied by members of the radical group MOVE.

who were in the house and to determine senior city officials about the type of explosive used in the bomb.

The city's managing director, James S. White, said Thursday the bomb contained C-4, a powerful military explosive. Previously, police officials had insisted that the bomb was made entirely of a less powerful and less incendiary plastic explosive.

The new information has raised

Airport Called Lax in San Francisco

Reuters

SAN FRANCISCO — Plainclothes police sneaked fake grenades through security checkpoints and successfully concealed guns and phony bombs in luggage at the San Francisco International Airport, according to the San Francisco Examiner.

The security investigation was conducted in June, shortly after the hijacking of a Trans World Airlines plane in Athens and the crash of an Air India airliner in the Atlantic, the newspaper reported Saturday.

The police and the airport director refused to discuss the outcome of the investigation, but the newspaper quoted unnamed sources as saying that officers with fake grenades strapped to their legs were able to pass through security points.

Louis Turpen, the airport director, said that the tests were continuing but added that the most recent checks showed the metal detectors on passenger concourses were completely accurate.

discusses

about the thoroughness of

the city's investigation of the MOVE incident, a daylong siege that began when members of the radical group fired on police officers who were trying to evict them from the house. The siege ended when a police officer in a helicopter dropped a bomb on the house, causing a fire that killed 11 persons, destroyed 61 houses in the West Philadelphia neighborhood and left 250 people homeless.

The disclosures also added

to controversy over whether the police could have prevented the death of people occupying the MOVE house. One of two people known to have escaped from the house has accused the police of shooting at members of the group trying to flee the fire.

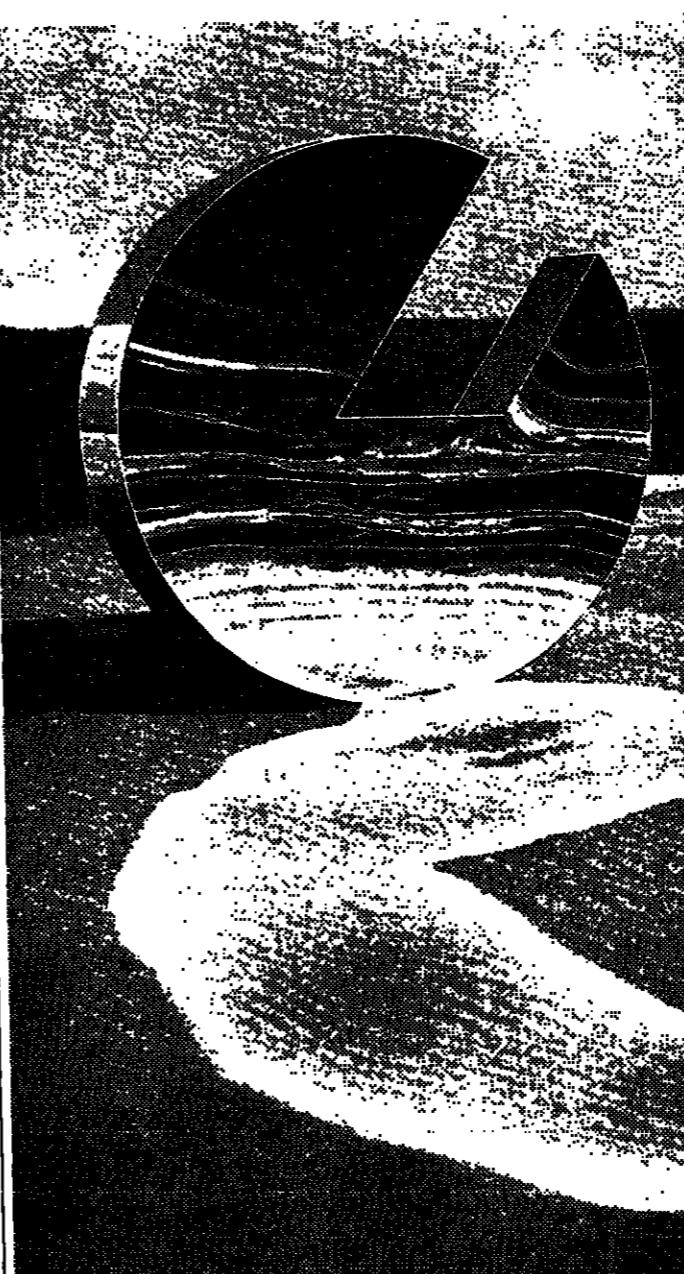
The new developments also ap-

peared to have undermined the po-

litical standing of Mayor W.

Wilson Goode. Polls taken soon after the siege indicated that it had left the popular first-term mayor largely unscathed. Last week, however, several members of the city council criticized Mr. Goode with the harshest language since the incident.

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DG BANK 1984: REFLECTION OF PERFORMANCE

DG BANK — the central bank, liquidity manager and international arm of West Germany's cooperative banking system — continued to pursue its systems- and results-oriented corporate policy in 1984.

became the first West German financial institution to issue participating certificates, in the amount of DM 350 million DM. From net income for the year, DM 50 million were allocated reserves. This brings the Bank's capital and reserves total to more than DM 1.8 billion.

Long-term Orientation: In lending business, long-term financing was increasingly in demand by clients.

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Questions for Our Time

After all the discourse for the 40th birthday of the nuclear era, we can wonder what we shall have learned when the 50th anniversary comes around in 10 years' time.

New Mexico, Hiroshima, Nagasaki.

In the mostly American debate about Harry Truman's decision to unleash the bomb in 1945, the word "moral" has made a comeback in political commentary. As often happens in arguments about morality, there has been much bickering about the bush. Perhaps the debate will have sharpened by 1995. Here, at any rate, are a few questions of the sort that could help to sharpen it.

The bombings of Hiroshima and Nagasaki cut short the war, and thus they may very well have prevented more deaths than they caused. (The conventional wisdom is affirmative, although minority dissent persists.)

But is that the point? Are all means justifiable — torture of prisoners to obtain information, for one example — to diminish the likely casualty toll of one side (or even both sides) in wartime? Of course not. Well, in which category are we going to put the nuclear bombing of cities: licit or illicit?

Long before World War II, Hitler maintained in public that mastery of the skies could win a war quickly. By the time he lost all hope of such mastery, massacre of civilian

populations from the skies had become standard wartime practice. From Coventry to Nagasaki, via Dresden and so forth, the bombers bombed away. We have been reminded lately that the conventional bombing of Tokyo took more lives than the atom bombing of Hiroshima. Well, is a nuclear bomb really so unspeakably special, or is mass slaughter itself the issue?

If Berlin or Tokyo or Moscow had had the bomb, Berlin or Tokyo or Moscow would presumably have used it. Washington had it and used it. End of debate? No, start of debate. The issue is whether anyone at all should use it. Back to square one.

But this last pseudo-argument ("They can't blame me for doing what they would have done if they could") points to another question. There cannot be many of us, whatever our nationality or present persuasion, who would not have done as Truman did: a weapon that can put a victorious end to an atrocious war is a weapon crying out to be used. We are left with the possibility of saying simply: It was wrong, but I would have done it. And then the question — since the whole point of moral debate is to try somehow to make a better future — comes down to this: Well, should I do it again?

INTERNATIONAL HERALD TRIBUNE

Overt Covert Deception

When war comes, warned Senator Hiram Johnson in 1919, truth is the first casualty. The maxim applies to Nicaragua. Washington's covert war there has filled a whole hospital — and yet more evasion and deception came to light just last week.

When it began in 1981, this war was described as strictly an internal affair. When CIA complicity could no longer be denied, the administration explained that it was necessary to cut off an alleged arms flow from leftist Nicaragua to El Salvador. That story began to totter in 1984 when Nicaragua's harbors were mined to scare away neutral shipping. Even that mining was falsely ascribed to "contra" rebels; its authors were North American. Then came the infamous "contra" manual, ghost-written by a CIA operative, counseling political murder. This ugly business, at first denied, was finally blamed on excess zeal. Next came the scary report that Soviet ships were carrying high-performance MiGs to Nicaragua, a false alarm attributed to a faulty leak.

Now comes the news that for a year the overt covert war has been supervised by a military aide on the staff of the president's National Security Council. The officer met frequently in Central America with rebel leaders, exerted "tactical influence" on their operations and directed private donors to them. At the least, these responsibilities make him a coordinator; at the most, a field marshal.

To understand why this news carries such a pungent odor, recall that Congress — the Republican Senate as well as the Democratic House — tried urgently to end covert U.S. management of this war. It ordered a cutoff last November of all CIA funding or involvement in the "contra" insurgency.

That ban was partly lifted in June. While still barring a CIA role, Congress ambiguously approved \$27 million in "humanitarian aid" to keep the "contra" effort alive. Meanwhile, supervision had already been shifted to the NSC so as to give President Reagan "plausible

— THE NEW YORK TIMES.

A Hidden Budget Spring

Did you ever really doubt it? The White House now acknowledges that the budget deficit is back on a track that, despite all of this summer's struggles with spending cuts, will produce \$200-billion deficits next year and the year after. It is as if the deficit were on a spring. Wherever the estimates and forecasts begin, as time passes they snap back to \$200 billion.

The pattern has been repeated annually for the past four years. The latest cycle, over the past six months, began with the president's budget in February. It called for a deficit of \$180 billion next year. Six months later, after a mighty struggle, Congress got it down to \$172 billion. That was a week ago. Now the Office of Management and Budget warns that the true figure is still in the range of \$200 billion.

The spending cuts — most of them, at any rate — are not fake. The chief source of the slippage is in the economic forecasts. In February the budget makers took a highly optimistic view of economic growth in 1986. Currently the evidence indicates a much less rapid expansion — meaning lower tax revenues. The

— THE WASHINGTON POST.

FROM OUR AUG. 12 PAGES, 75 AND 50 YEARS AGO

1910: Taft Is Urged to Drop Ballinger

NEW YORK — Richard A. Ballinger, Secretary of the Interior, is the political sacrifice demanded by men backing the Taft Administration, so that Theodore Roosevelt will not again occupy the White House. Trouble between Mr. Ballinger and Gifford Pinchot, head of the Forest Service, began early in the Taft Administration. James R. Garfield, Secretary of the Interior under Roosevelt, withdrew 677,000 acres of public lands. When Mr. Ballinger became Secretary he rescinded the action. Mr. Pinchot began attacks on Mr. Ballinger. President Taft later dismissed Mr. Pinchot. Opponents of Mr. Ballinger have declared that [land conservation] has not been fostered as it was under Roosevelt.

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International Herald Tribune, 181 Avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France. Tel: (1) 747-1265. Telex: 612718 (Herald). Cables Herald Paris. ISSN: 0294-8052.

Directeur de la publication: Walter N. Thayer.

Asia Headquarters, 24-44 Hennessy Rd., Hong Kong. Tel: 5-385618. Telex: 91170.

Managers: Dr. U.K. Rishi MacKhan, 63 Long Acre, London WC2. Tel: 836-4002. Telex: 26209.

Gen. Mgr. D. Germany: W. Lippert, Friedenstr. 15, 6000 Frankfurt M. Tel: (069) 720-755. Telex: 41672.

U.S. Subscription: 120000 F. R.C.S. Number: B-33021136. Commission Partiture: No. 6137.

U.S. Subscription: 1222 F. R.C.S. Number: B-33021136. Commission Partiture: No. 6137.

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This Middle East 'Peace Process' Is Futile

By Irving Kristol

NEW YORK — U.S. Middle East policy is headed, willfully and wilfully, toward a fiasco. But there are grounds for optimism: The policy may collapse before it gets too far down that road.

The "peace process" to which the U.S. State Department has committed itself involves bringing Israel on the one hand, and Jordan and the Palestinians on the other, to the negotiating table. There, it is hoped, they will arrive at a settlement of the future of the West Bank — or Judea and Samaria, as most Israelis now call it.

Arriving at that table will not be easy. Israel is publicly committed to negotiations, but only if the question of Palestinian representation can be settled. Israel will not accept Arabs who, in its opinion, have links to the Palestine Liberation Organization. Jordan, however, cannot omit such Arabs

as recognize Israel's "right to exist." This has always been the solution envisaged by the United Nations. For a long time it was the solution proposed by Israel and rejected by the Arab states. It is still the solution desired and advocated by the State Department. But it is, by now, an anachronism.

There is, to begin with, the problem of Jerusalem. The 1967 war, in which Jordan participated despite Israeli and American pleas to stay out, resulted in the Israeli acquisition of East Jerusalem — the "Old City," with its holy places. No Israeli government will ever — no matter what — return this portion of Jerusalem to Arab rule. No Jordanian government, and no Palestinian body, will ever — no matter what — recognize Jerusalem as Israeli.

There is simply no room for compromise here. One supposed that Israel and Jordan just might regulate the Jerusalem issue to some future agenda and proceed to discuss the West Bank. But that discussion, too, would get nowhere.

For Jordan cannot accept anything less than a return of the entire West Bank to Arab rule; if it did, it would be universally denounced in the Arab world as a traitor to the Arab cause. At the same time, no Israeli government can possibly return the entire West Bank to Arab rule — for two reasons.

The first has to do with military security. The so-called "high ground" of the West Bank — a hilly, relatively thinly populated area with some 40,000 Arabs, adjacent to Israel's narrow "waist" and constituting perhaps 15 percent of the West Bank — is almost universally accepted in Israel as an area over which it must retain military control.

After all, Jordan has always in the past joined in Arab wars against Israel, and "peace treaties" in the Arab world, even among Arab states, have never been taken too seriously by anyone. Such treaties come and go quite casually, while Israel's vulnerable geography is a permanent concern of the Israeli nation. Many "peace plans" have been proposed by many Israelis of differing opinions. None that fails to continue Israeli military control of the "high ground" is taken seriously.

The second reason is even more important. It concerns the future of Israeli "settlements" on the West Bank. These settlements have attracted much publicity, but it has been focused mainly on the relatively small encampments of religious and nationalist zealots in the midst of Arab-populated

areas. It is these settlements, in particular, that have provoked terrorism and counterterrorism. But they involve, in total, only a couple of thousand Israelis and have the sympathy of only a minority of the Israeli public. They could indeed be negotiated away, although not easily.

The settlements that do count are not really "settlements" at all. They are new suburbs within commuting distance of Israel's major cities — Jerusalem, Tel Aviv, Haifa — but located, technically, on the West Bank. The largest such suburb is just seven miles from the center of Jerusalem.

These are ordinary Israeli towns with pleasant garden apartments, supermarkets and a population that rides buses to work in the nearest Israeli city. These suburban towns were constructed in areas where relatively few Arabs live, and nothing that happens in these places makes headlines. Their total population, about 30,000, is growing rapidly. The area they encompass amounts to another 10 to 15 percent of the West Bank. But that is simply no room for compromise here.

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The Greeks Blame It All On America

By Flora Lewis

ATHENS — Greece is becoming sharply polarized again. The villages have two coffee shops — one where supporters of Prime Minister Andreas Papandreou's Socialist government gather and one for the opposition, so that they can denounce each other in friendly surroundings free of inhibition.

The capital has two dialogues, each within its own closed circles. Members of PASOK, the government party, speak with exhilaration of dramatic change and of newfound independence, although the facts have been modest so far. Members of New Democracy, the opposition party on the right, instead give warnings about a coming "one-party state" and economic disintegration.

They agree on a few things. One is that Turkey is the menace, and the other is that whatever they find wrong, it is really America's fault.

The latest frosty scandal is over testimony of the newly appointed U.S. ambassador, Robert V. Keeler, at Senate confirmation hearings. Had Jordan and the Palestinians agreed to negotiate 10 years ago, things might have been different. Today their agenda and the Israeli agenda have diverged dramatically.

Why pursue negotiations that can only collapse into acrimony and even greater tension?

The plain truth is that, as things now stand, there is no peacekeeping role for the State Department to play in the Middle East. It should wait and watch and be patient. A peaceful settlement of the Arab-Israeli dispute has eluded American policy for almost four decades now. All the evidence suggests that no kind of turning point is at hand.

The writer, a leading conservative commentator, is professor of social thought at New York University's graduate school of business. He contributed this comment to The New York Times.

A Hit-and-Run Sideshow Produced in Washington

By Mary McGrory

WASHINGTON — Before

making definitive judgments about Nicaragua as a terrorist state — President Reagan put it on his list of international outlaws — consider testimony from Anne Lifflander, 29, a New York doctor who spent two years in Nicaragua and survived a terrorist attack by the U.S.-sponsored "contra."

On July 23, Dr. Lifflander was on a ferry traveling the Escondido River from Rama to Bluefields, a city on Nicaragua's Atlantic coast, when gunfire hit the ship. "It was terrible," she says. "People threw themselves on the deck. They were praying and crying and screaming."

In the 15 minutes that followed, three rockets were fired. A government soldier, one of nine aboard, was shot in the face as he stood guard; he died two hours later. A civilian construction worker shot through the head died that night.

Dr. Lifflander had decided to leave Nicaragua even before bullets flew over her head. After two years with a family in Managua and working in one of the city's below-par hospitals and in a pitiful health clinic provided by the Sandinists,



By Cummings in the Winnipeg Free Press. Cartoons & Writers Syndicate.

If Voters Won't Swear Off, Try Cutting Off Bolivia

By Charles Krauthammer

WASHINGTON — He can hit, he can steal, he can turn the double play. And he suffers, he told the press, from "a disease called chemical dependency." That is Alan Wiggins, erstwhile Baltimore Orioles second baseman, explaining his recent suspension from baseball for treatment of cocaine addiction.

"It's a disease. It's not a moral issue. It took me a while to learn that for myself." One has the distinct impression that Mr. Wiggins did not learn it for himself but had to be taught the new dispensation.

What he picked up is more than a euphemism. It is now conventional wisdom. Drug abuse has been elevated, if that is the right word, to the status of a disease.

This is a polite fiction which, like other forms of politeness, has a humane purpose: in the present case, to make things easier on the sufferer. It has assumed him that he is not to blame. He is a victim, and victims are absolved of responsibility for their condition. We do not hold someone responsible for his color cancer. We once held him responsible for his drug abuse. How now to reprobate someone stricken with a disease called chemical dependency?

The abuser gets more than a wink. If he follows the rules he gets a pat on the back. The repentant cocaine user just graduated from the Betty Ford Center or back from a stint in an English jail, is accorded a certain celebrity. Fine. Overcoming addiction is hard and one does not want to dismiss the

achievement. Slow down cocaine production in Bolivia and Peru, and it starts up in other areas, like Ecuador and the Amazon basin, where Brazilians are now cultivating a small coca-producing tree called the ephedra. What then?

In Dr. Lifflander's neighborhood, where she shared a home with Helen Salgado, divorced mother of two daughters, almost every family has a son fighting at the front, and "there are funerals all the time." Civilian casualties are mounting. Eight women traveling to visit their sons in an army camp were killed when "contras" attacked their bus. Seventeen people were injured in what certainly sounds like a terrorist raid.

When she returned to her Managua home after her brush with the "contras" she expected a "heroine's welcome," but perspective was immediately restored. A woman in the neighborhood had lost her only son,

her sole support. He was in a coffee harvesting brigade that was attacked by "contras" who, after shooting it up, set fire to the brigadiers' truck, killing wounded.

Dr. Lifflander does not think that the "contras" will prevail.

"You don't win a military victory by killing eight women," she says. She thinks the Nicaraguans will fight to keep their revolution. "Helen Salgado was probably better off during the Somocista years. It was easier for her to get hair dye and eyebrow makeup and spare parts for her car. But she remembers the Somozistas and the raping and looting that went on in her neighborhood, and she doesn't want to

A Monthly Report for the International Investor

Herald Tribune

Monday, August 12, 1985

PERSONAL INVESTING

INVESTOR'S Notebook

Upbeat in London

Some London analysts say the Stock Exchange is poised for another rally. Their upbeat view is based on the belief that the pound, despite some recent setbacks, will remain firm enough for the Thatcher government to lower interest rates further. This comes as welcome news to investors who saw share prices retreat in June largely because of the heavy volume of new equity issues. A drop in export earnings as the pound strengthened earlier this summer also unnerved the market. "With U.K. interest rates and bond yields trending down, we're much happier," acknowledged William Bain, an analyst at Wood Mackenzie.

Nevertheless, analysts are advising investors to stay away from exporters and look to consumer issues, such as retail stores, Marks & Spencer, British Home Stores and Sears Holding are on the buy list of many brokerage houses. Dee Corp., a food retailer, and Dixons PLC, an electrical retail chain store are also mentioned by analysts. For those willing to take a chance that the pound will not make further gains on the dollar, Nicholas Knight, an analyst at James Capel & Co., suggested BAT Industries, the tobacco and retailing group, and ICI in the chemical sector. Both have fairly low price-earning ratios.

Cola Wars Revisited

Among beverage analysts, Coke is still it. The leading soft-drink producer fumbled badly earlier this year when it retired its original formula in favor of a recipe that met with strong disapproval among American consumers. In a turnaround, the company reintroduced its 99-year-old drink as "Coca-Cola Classic," which is now sold along with the new Coke. But the impact of Coca-Cola's marketing snafu on its stock price will be minimal this year and may even be positive next year, according to George Thompson, an analyst at Prudential-Bache.

Mr. Thompson bases his assessment on the fact that Coca-Cola's foreign markets, which account for 50 percent of its revenue and were not affected by the formula switch, continue to be healthy. In addition, "Coca-Cola Classic" should prove to be an efficient item requiring only limited marketing effort, explained Mr. Thompson; since its reputation is well established. When the new formula is introduced abroad next year, according to him, its marketing will have already been fine-tuned in the United States, he said.

American Gold Option

The U.S. Treasury may soon find itself a major player in the gold coin market. Proposed congressional economic sanctions against South Africa would not only ban further imports of the Krugerrand, but would also direct the U.S. Treasury to begin mining bullion coins for the first time since 1933.

The gold coins would presumably be traded in the same manner as South Africa's Krugerrand and Canada's Maple Leaf. The American coins would be designed to match the dimensions, weight and gold content of Krugerrands, which are available in denominations of one tenth of a troy ounce, one quarter, one half, and one troy ounce.

There are no official estimates of the potential demand for an American gold coin. But the increasing interest in South Africa has hurt demand for the Krugerrand and increased the sales of its primary competitor, the Maple Leaf.

Gilt-Edged Copycat

The success of CATS and TIGRS, the zero-coupon instruments backed by U.S. Treasury securities, was bound to produce imitators. But last week's effort in London to introduce a similar instrument, STAGS, based on British government bonds, known as gilts, showed that some financial concepts do not travel well.

The avowed purpose of the sponsor, Quadrex Securities, was to offer offshore investors a new way to invest in British pounds. Because British regulations make zero-coupon instruments "tax horrible" for onshore investors, as one banker put it, there is virtually no domestic market. But even offshore interest did not appear overwhelming, with all but one of the 27 series of STAGS ending the week below their issue prices. In the longest maturity, STAGS yielded about 10.35 percent on an annual basis.

Bond-market participants cited several reasons for investor reticence, including mispricing. The issue also seemed badly timed, others said, coming as many investors were taking profits on a big rise in sterling's value.

THE BOURSES

Discount Brokers Lure Investors Outside U.S.

By Barbara Rosen

ALL Street's "big bang" of 10 years ago, which ended the era of fixed brokerage commissions, gave birth to a new type of no-frills firm that offered to make trades for investors at fees far below those of the big-name "wire house" brokers. By forgoing research and other services, these discount firms kept costs low and passed the savings along to investors as reduced commissions.

Over the years, the discounters became a permanent feature of the U.S. financial scene, with other institutions such as commercial banks and mutual funds also offering stripped-down trading in stocks. The U.S. Securities Industry Association estimates that discounters, which now include some firms that offer minimal advisory services and whose fees are only marginally below those of full-service firms, handled 19.2 percent of the trading volume on U.S. exchanges last year.

Partly because most discounters do not maintain offices abroad, this way of trading U.S. stocks has been generally inaccessible to investors outside the United States. The uncertainties of dealing by telephone, problems of time zones and unfamiliarity with the discount approach discouraged investors abroad, who tended to trade through the foreign branches of U.S. full-service brokers or through a bank. But recently, the discounters appear to be taking steps to lure the business of investors in Europe and Asia.

"We'd like to be able to serve investors around the world," said Hugo Quackenbush, senior vice president of Charles Schwab, a subsidiary of BankAmerica Corp. Charles Schwab, the largest U.S. discount broker with more than

one million accounts, already has an office in Hong Kong and hopes to expand into Europe next year, possibly to Britain or West Germany, he said.

Quick & Reilly, another big U.S. discount broker, hopes to offer computerized trading services and a stock information package to investors outside the United States. Using a modem, an investor who has a personal computer could tap the services through phone lines. Leslie Quick 3d, vice president of the firm, said a handful of investors outside the United States are already using the service.

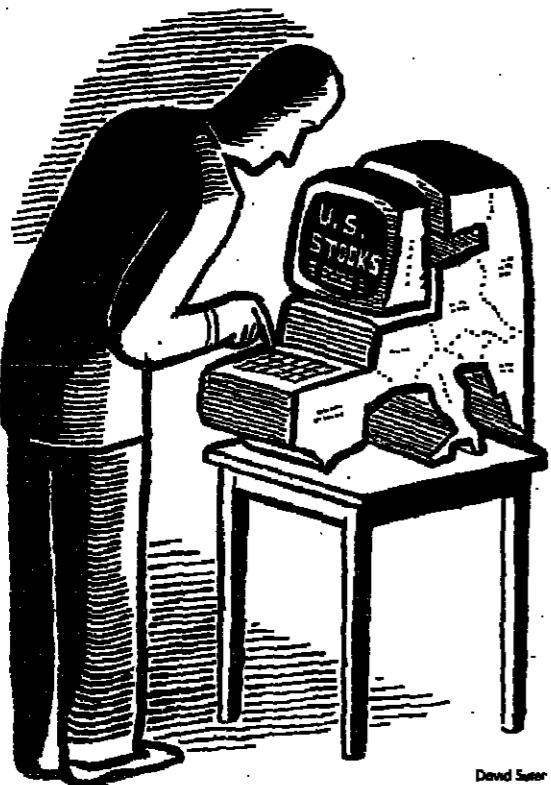
But the trailblazers in the field appear to be offshoots of smaller U.S. firms such as Andrew Peck and Eastern Capital. Eastern has been in London for four years, and Andrew Peck opened its office last spring. Matthew Shallow, a vice president of Andrew Peck, said the firm wanted to be closer to its clients. Trans-Atlantic telephone calls are fine "until some small thing goes wrong and you can't go down and talk to the person," he said.

Investors who feel savvy enough to pick their U.S. stocks without the research and advice offered by the full-service brokers can roll up big savings by using discounters. "There's pretty enormous difference in terms of the commission rates," says Walter Prime, an American who is managing director of Prime Grib & Co. in London, a corporate finance firm. "I would reckon the savings is generally 50 percent."

"It's absolutely crazy for someone to be paying much, much higher commissions if you don't need the big firms," he said. "And frankly, you'd do better using a dart board than some full-service brokers."

A quick check of various commissions for trading 100 shares of stock costing \$50 each gave some sense of the

(Continued on Page 8)



David Suter



Grumman jets being built. Strategic metals are used in aviation.

The Uneasy Market In Strategic Metals

Pollution policy and politics stir interest in a depressed sector

By Bruce Hager

WHILE last week's strike threat by miners in South Africa had most metal analysts debating the long-term implications for gold prices, a number of experts were expressing concern about a less fashionable metal — rhodium. A member of the platinum group, this silvery white metal is rarely thought of as a precious metal, but can be significantly more valuable.

A heat-resistant metal used in plating electrical circuits and in reducing auto-exhaust emissions in catalytic converters, rhodium is a so-called "strategic metal." This term is applied to a range of substances that are distinct from precious metals and nonferrous metals such as copper because of their limited supply and critical industrial and military applications, most notably in the construction of aircraft and missiles.

The distribution of these metals also has geopolitical implications. Most of the world's known reserves are in the Soviet Union and a handful of African nations. Questions about the reliability of supplies have played havoc in the market intermittently since the late 1970s.

The recent interest in South Africa, one of biggest producers of rhodium and other key industrial metals, has again focused attention on strategic metals. The market has lost much of its luster for investors since the booming metals market of the late 1970s, but it continues to attract a handful of individuals who hope to cash in on its volatility.

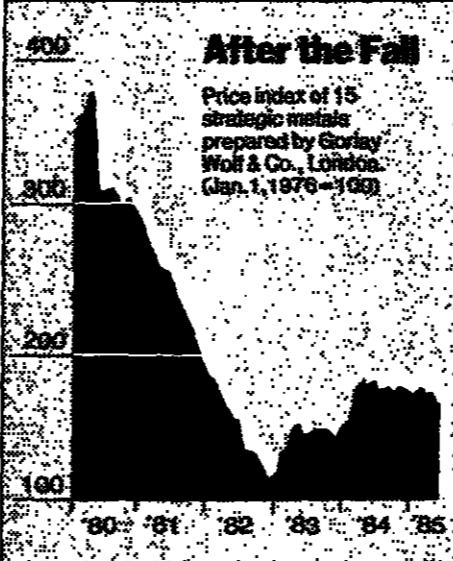
Although a strike on Aug. 25 by the National Union of Mineworkers in South Africa would primarily affect gold, diamond and coal mines, analysts are not discounting peripheral incidents at platinum mines that would also affect rhodium prices. To date, such fears have not affected rhodium.

Political factors have created market shortages and panic in the past. The best example was in 1978 when a group of guerrillas attacked the mining town of Kolwezi in Zaire, a center for cobalt production. With about 50 percent of the world's cobalt reserves in Zaire and neighboring Zambia, fears of a shortage of this tough, lustrous metal used in the production of jet engines, drove the price of cobalt from \$6.85 a pound to \$45.

Like most commodities, the market for strategic metals has been bearish for the past couple of years. Even cobalt prices have slipped to around \$11.50 a pound, and some analysts believe these and other metals prices could remain steady for some time if the South Africa political situation is resolved.

No producer of any metal likes to have violent

(Continued on Page 8)



After the Fall
Price index of 15 strategic metals
prepared by Gorham
Wolf & Co., London
Jan. 1, 1978-1985

ECU Comes of Age For Global Investing

A sagging dollar boosts its appeal for bond investors

By Colin Chapman

A BOUT five years ago, a handful of French and Italian companies hit upon the idea of issuing international bonds denominated in the European currency unit, the artificial currency that reflects the values of nine currencies of the European Community. The securities found ready buyers among one group of Eurobond stalwarts.

It was the individual, conservative Belgian investor — the Belgian dentist — who bought them," recalled Pierre Jaegly, manager of Cedel, the Eurobond clearing service in Luxembourg. When it came to European currencies, he noted, Belgian bond investors were skeptical of the stability of such high-interest currencies as the French franc and the Italian lira and indifferent to the low interest rates on bonds in stronger currencies such as the Deutsche mark. With ECU bonds, "they received higher yields than on the Deutsche mark and still had stability," Mr. Jaegly noted.

Lately, as the dollar sags, investors far beyond Belgium and Luxembourg are discovering the attractions of the ECU (about 78 cents). Although the continued high yields and security of dollar-denominated bonds discourage large-scale defectors, investors with substantial portfolios in dollar securities are weighing the advantages of at least a modest diversification into other currencies. For these investors, the ECU has obvious benefits.

A study by Bank Julius Baer found increased interest in ECU securities among investors in the United States and Germany, and Mr. Jaegly says Japanese institutions are taking notice. Currency

funds and U.S. institutions in particular have begun to appreciate the "fantastic diversification it offers against the dollar," reported Leon Kirp of Credit Suisse First Boston.

The new interest in the ECU fits in with the view of some professionals that fixed-income instruments make more sense than common stocks when it comes to strategies for cashing in on currency moves. They note that returns on common stocks reflect the fortunes of individual companies. A shift in value in a country's currency can have widely different effects across the spectrum of industrial activities, complicating the task of sorting out the winners from losers in common stocks.

The returns on fixed-income instruments such as bonds are more directly linked to broad economic trends rather than to specific industrial or corporate developments. Thus they are regarded as "pure" plays on currency moves.

The snag is that most major alternatives to the dollar have flaws. Few investors are willing to abandon the high coupons on dollar bonds for the meager returns on bonds in Deutsche marks or yen. While bonds in British pounds offer more generous coupons than dollar securities, the wild gyrations of sterling unnerves many investors.

With the ECU, investors can avoid such tough choices by, in effect, using a weighted basket of all European currencies. The ECU stands to gain nearly as much as the Deutsche mark in periods of dollar weakness, say the professionals, yet its yields on ECU bonds are substantially higher than on Deutsche mark bonds.

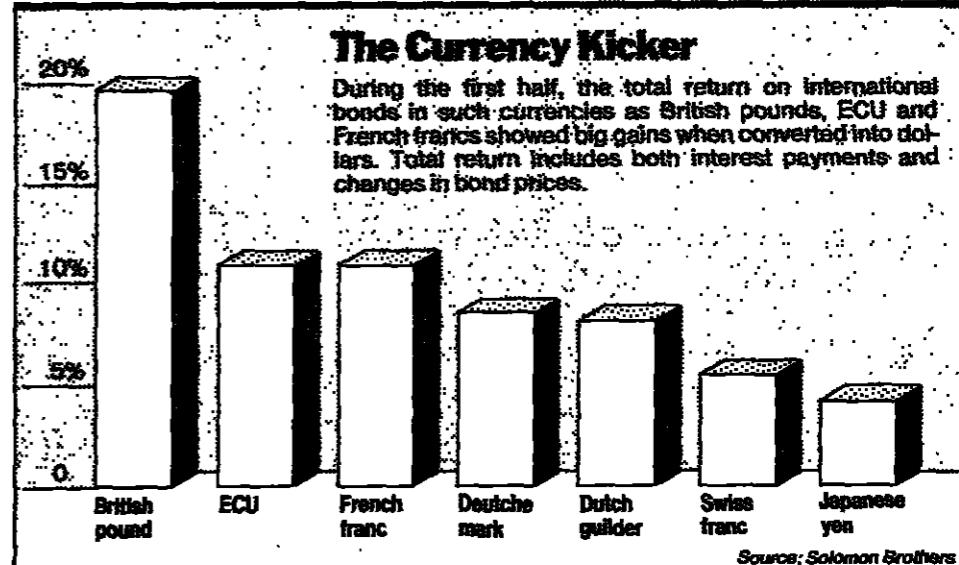
According to Solomon Brothers, the investment firm, the average yield to maturity on 10-year ECU Eurobonds was about 9.04 percent at the end of July. That was about 2.3 percentage points above the yields on Deutsche mark bonds and about 2.4 percentage points below the yields on Eurodollar bonds.

The reasons lie in the weightings assigned to the nine currencies in the ECU. The formula gives heavy weighting to such widely held currencies as the Deutsche mark and British pound. But inclusion of more narrowly held currencies such as the

(Continued on Page 10)

The Currency Kicker

During the first half, the total return on international bonds in such currencies as British pounds, ECU and French francs showed big gains when converted into dollars. Total return includes both interest payments and changes in bond prices.



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The Board of Directors of ENSERCH Corporation on July 30, 1985, declared a regular quarterly dividend of 40 cents per share of common stock, payable September 3, 1985, to shareholders of record August 16, 1985.

For additional information, please write to Benjamin A. Brown, Vice President, Financial Relations, Dept. M, ENSERCH Center, Box 999, Dallas, Texas 75221.

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EP DECLARES 60-CENT DISTRIBUTION

Enserch Exploration Partners, Ltd., on June 17, 1985, declared an initial quarterly cash distribution of 60 cents per unit, payable August 15, 1985, to unitholders of record June 28, 1985. Enserch Exploration Partners, Ltd. (NYSE-EP), a Texas limited partnership, conducts substantially all the domestic oil and gas operations of ENSERCH Corporation (NYSE-ENS).

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THE BOURSES

A Focus on Assets Boosts Tokyo Property Shares

By Terry Trucco

FOR YEARS Japanese real estate stocks were noted for their stability. They were classic defensive stocks, promising limited gains with minimal risk. Mitsubishi Estate, with its blue-chip properties and ties with the huge Mitsubishi group, typified the sector's solid aspects. Its price hovered in the 300-to-400 yen range. Its all-time high was 550 yen in the mid-1970s.

That all changed this year. In March the stock reached 650 yen (\$2.70) and by May it had shot past 800 yen. It finally peaked at 970 in July before falling to around 850 earlier this month, a drop some analysts feel may be a short-term correction.

The performance of Mitsubishi and that of many Japanese real estate stocks in recent months reflects a new theme running through the Tokyo Stock Exchange — identifying latent assets. These are primarily underdeveloped properties held by companies that analysts believe are not fully valued and have yet to be reflected in share prices.

The market's search for hidden assets is largely a consequence of its current preoccupation with domestic issues. Trade friction with Washington and the slowdown in economic growth in the United States have soured the market's appetite for chip-exporters. As a result, properties and other sectors with large real estate holdings, such as railways, warehouses and non-life insurance companies, are textbook examples of the domestic sectors that have been thrust into the spotlight.

Moreover, these stocks are being pushed higher by expectations that the government will revise building codes and tax rules to encourage sales and development. This would be an inexpensive and painless way to stimulate domestic demand and make the economy less dependent on exports.

Although these stocks have been outperforming the generally sluggish Tokyo market since May, some analysts think the sector still has room to grow, particularly the so-called "Big Three" property stocks, Sumitomo Realty and Development, Mitsubishi Real Estate Development and Mitsubishi.

Such companies are well-managed, own impressive properties and, analysts say, are in the middle of developing projects that could insure good returns well into the next decade. For example, Mitsubishi is undertaking an ambitious 25-year project to rejuvenate a large expanse of the Yokohama waterfront.

Some analysts contend that if the market accurately valued all hidden property assets held by Mitsubishi Estate, including the land under Tokyo's pricey Marunouchi business district, its share price could be at least 3,000 yen.

Such optimism is not universal. Others believe the sector is about to peak or already has. Shares trading on the basis of hidden assets, they caution, are especially vulnerable to a sudden switch in market mood. And there has already been some talk that the market overreacted to export fears. "This area is volatile now, and timing is very important," said Peter Tasker, an analyst with Grieveson Grant.

Indeed, prices have fluctuated wildly in recent months for some of the small real estate companies with comparatively few shares available for trading. Osaka Tatemono, which owns choice land in Osaka, traded at 500 yen in early May when the sector was just heating up and shot to 2,200 in early July. It has since dropped to around 1,900. Tokyo Tatemono, which also owns prime urban land, experienced similar gyrations, jumping from 500 to a high of around 1,300 and back down to the 850 range.

Massive mid-July sales by Tokkin funds, trusts that manage money for institutions, are one reason for the drop, analysts say. But a number of observers think these issues have good long-term prospects.

"In the last three months the market has been overextended in some areas," said Tetsuro Miyake, a manager for Nomura Securities, who cited certain railways, warehouses, hotels and other shares boosted by latent assets and little else.

Some stocks like Tokyo Tatemono and Osaka Tatemono were priced unjustifiably high. But for the sector as a whole, the growth should go into the next decade."

Some of the fundamentals still seem to favor real estate stocks. The price of premium property is rising by as much as 30 percent a year in Japan. This is especially true in Tokyo, where office space is growing scarce because of the increasing number of foreign companies who want to set up shop and because of the expanding use of office-automation equipment, which requires added space. Moreover, Japan is showing modest investment growth in three key areas — housing, urban development and big public-works projects. Housing starts have been surprisingly strong, fueled by the lowest home-loan rates in 15 years.

Railroads and warehouse companies, particularly those linked with one of the large industrial groups, such as Mitsubishi Warehouse and Transportation, are also likely to benefit from future building and development, according to analysts.

Two government projects — a bridge to span Tokyo Bay and a new airport in Osaka — have already affected the share prices of a number of railroads whose land abuts the projects in each city. Keihin Electric Railway and Nankai Electric Railway have been the chief beneficiaries, and a number of analysts project further gains. At the same time, the big warehouse companies are starting to raze office buildings, replacing them with high-rise office buildings.

Analysts caution, however, that such shares can be chancy. Railroads are especially risky because they tend to make little money from their government-regulated fares and may wait years to develop their land. "Investors have to look at these on a case-by-case basis," Mr. Tasker said. "The land under consideration needs a potential."

Even the full-service brokers acknowledge that discounters make sense when the issue is strictly commissions. But they note that many investors outside the United States, whether American or non-American, feel distant from the U.S. markets and may need professional guidance on selecting U.S. stocks.

Some full-service brokers also offer various financial packages designed to make it easier for clients outside the United States to manage their affairs. Merrill Lynch, for example, offers a managed-asset account tailored to the investor abroad. In addition, Americans may prefer a broker who offers investor-directed Individual Retirement Accounts, a product not all discount brokers provide.

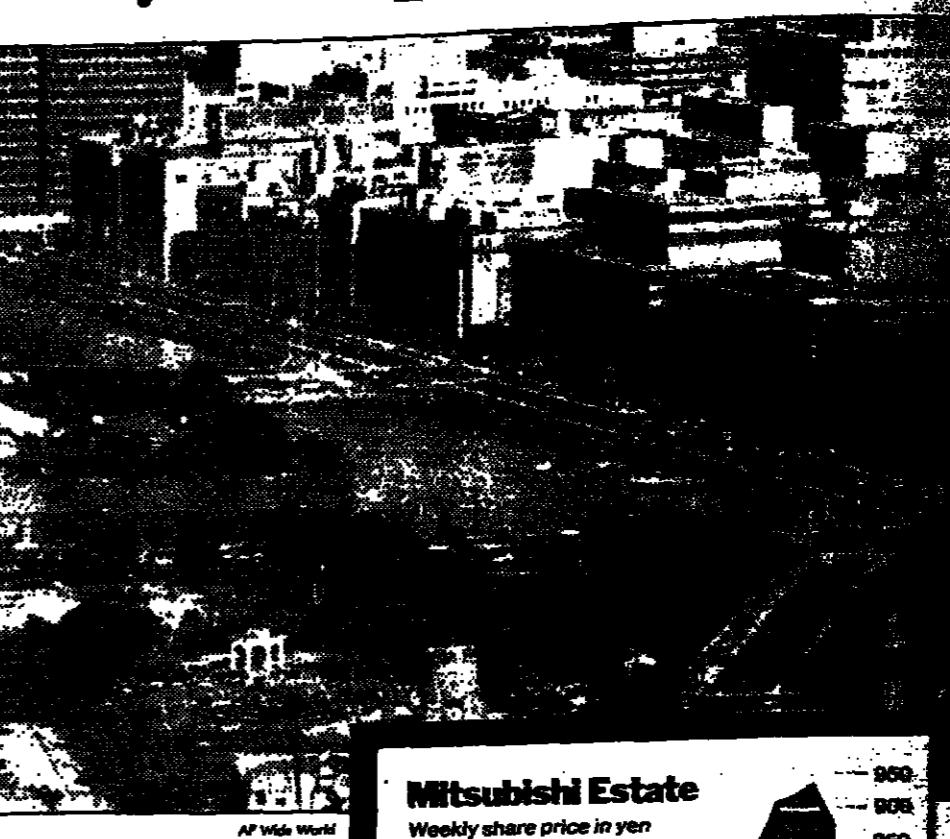
The issue seems not to be whether discount or full-service is better, but which is appropriate to an investor's circumstances. The choices are not mutually exclusive. Some investors maintain an account at a full-service firm and at a discount broker.

Most of the opportunities for discounters outside the United States tend to lie with expatriate Americans. "They've got cash, and they're familiar with the stocks, and they know what to do," said Robin Reiley, managing director of Eastern Capital.

As with any financial relationship, investors should find out as much as possible about a discounter before opening an account. It is important to obtain details on the firm's financial status and how orders are executed and trades are cleared. Making sure the firm is dealing with an established bank is a key point. The most reliable discounters will be members of the Securities Investor Protection Corp., an industry-sponsored group that insures accounts.

Unquestionably, discount brokers structure their commission schedules in such different ways that it is often difficult to tell which one will be cheapest for an investor's particular pattern of trading. There are two basic approaches: "Value" brokers charge a percentage of the dollar value of each transaction; the commissions usually decline as the value of the transaction goes up. "Share" brokers' commissions are based only on the number of shares traded.

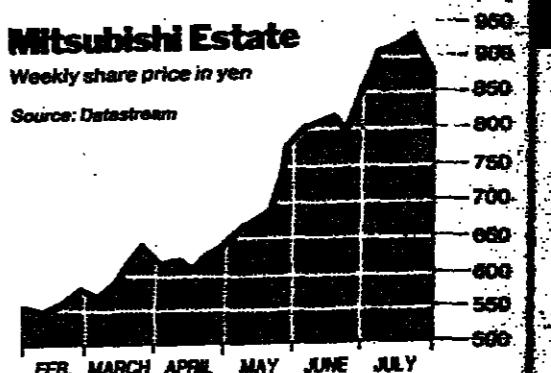
The two pricing methods can have vastly different effects on the costs of transactions. The investor who typically buys high-priced stock tends to save more with the "share" approach, while the investor who buys low-priced stock tends to do better with a "value" system. One way to determine which is appropriate is to draw up a list of likely transactions and compare the commissions under various for schedules.



Mitsubishi Estate

Weekly share price in yen

Source: Datastream



Mitsubishi Estate owns the land under Tokyo's Marunouchi business district. Such high-grade assets have enhanced its standing with investors.

Discount Brokers Lure Investors Outside U.S.

(Continued from Page 7)

the savings potential. Merrill Lynch would have charged \$92. Another full-service broker, E.F. Hutton, put the fee at \$103.53. In the discount category, Andrew Peck said it would charge \$56 and Eastern Capital \$45.

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COMMODITIES

Strategic Metals: Erratic Prices and Shadowy Dealings

(Continued from Page 7)

price fluctuations," said Philip Baillieu, a trader with Wogen Resources Ltd. in London. "It upsets their own production plans and also the same for consumers, who don't want to be paying double for what they paid at the beginning of the year."

Still, demand for specific strategic metals sometimes creates an erratic market. Earlier this year rhodium prices jumped from \$800 an ounce to \$1,000 on the news that European countries were planning stricter emission-control systems on automobiles. It has since settled back to about \$790. The potential demand for rhodium, a key component in catalytic converters, spurred analysts to predict that annual world rhodium consumption might jump 17 percent to 210,000 ounces by the early 1990s if the Europeans chose catalytic converters.

We do not think this is the type of investment the client can trade in and out of like IBM or AT&T," said Fred Wasserspring, executive vice president of Prudential-Bache Securities, the only major U.S. brokerage firm that offers strategic metals as an investment alternative and does so with ample forewarning.

The joke is well put, for the

biggest problem facing private investors is not buying but selling strategic metals. Most purchasers are large companies or countries like the United States that will turn to producers to increase their stockpiles. "If you're Pratt & Whitney and you need cobalt for jet engines, you're going to be buying a serious amount of cobalt," said Mitchell Posner, co-author along with Philip Goldberg of "The Strategic Metals Investment Handbook."

Finding a buyer does not come

cheap. Although brokers are loath to discuss commissions, they say it takes little common sense to deduce that the commissions on a \$25,000 contract for silver, a very liquid commodity, would be significantly cheaper than the commissions for a similar amount of vanadium or bismuth. "In our industry, commissions run between 10 and 12 percent on a normal \$25,000 strategic-metals contract," said John Rockenstein, a vice president at Troy Anthony and Associates in Costa Mesa, California. "For silver, it's more like 4 or 5 percent."

Despite the small size of the \$10-billion-a-year strategic-metals market, there is still ample room for miscellaneous brokers who will gladly sell anything to the naive investor. In the wake of the 1979-80 metals boom, so-called "bucket shops" sprang up charging high prices for small amounts of strategic metals that were never delivered.

Even with the bear market, some brokers have known to play up the "specialized nature" of strategic metals trading, where there can sometimes be a 10-percent differential between the bid and ask price. To compound problems, traders do not have to be licensed to sell metals, and they have been known to sell amounts

that are too small to be of any use to anyone except the plainly curious. "One pound of cobalt is a nonmarketable commodity. It would cost more to ship," said Mr. Wasserspring at Prudential-Bache.

To counter bogus practices and safeguard its own reputation, Prudential-Bache has investors sign a "strategic-metals suitability letter," which outlines trading risks. The company also strongly recommends that potential investors shop around and compare prices as well as metal marketability before putting any money down.

James Gourley, director at Gourley Wolff & Co., asserts that if his company sells metals to an investor, then the company will buy the metal back at the going price. "We will always make a market for somebody," he said, adding that investors should note whether a London-based broker is a member of the London Metals Exchange. "We realize it's no good somebody buying this material and finding out they can't sell it."

Other traders recommend that the potential investor take a good hard look at the market before getting involved. Because of long dormant periods between metal price fluctuations, experts contend that only the very rich can afford to play. "People should qualify themselves," said Mr. Posner. "These are markets only for someone who can afford to tie their money up — essentially, it's dead equity — and be able to cover the ongoing costs of insurance and storage."

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Swiss Rules Squeeze the Lakeside Scenery Market

Without some clout, foreign buyers face major complications

By David Tinnin

SUPERB scenery is Switzerland's most salable commodity, and nowhere is it in greater demand than along the vineyard-lined shores of Lake Geneva. Freddy Heineken, the Dutch beer baron, owns a villa there. So does King Fahd of Saudi Arabia. Audrey Hepburn, the conductor Mstislav Rostropovich and a host of the world's rich and famous.

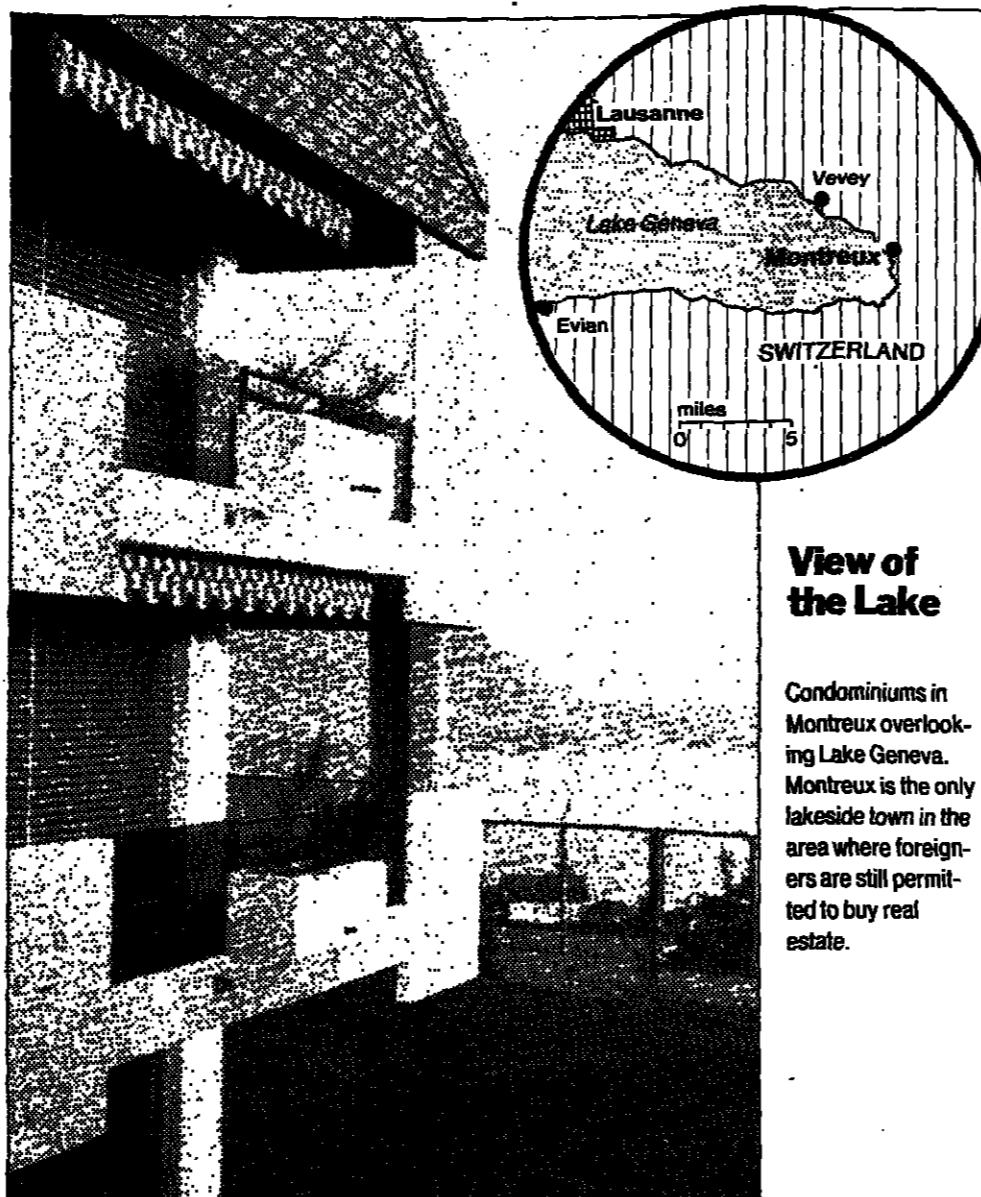
Yet for foreign real estate investors looking for lakeside property, Switzerland may not be the "golden island" that Swiss bankers describe. The problem is, so many non-Swiss have bought property along Lake Geneva that the Swiss themselves feel squeezed out. As a consequence, the federal government has enacted restrictive laws that are putting a tight squeeze on foreigners who want to enjoy the scenic panoramas, mild climate and well-policed tranquility of Switzerland's Riviera.

Lake Geneva with its international flavor remains the prime real estate attraction in Switzerland. Property-appreciation rates average 6 percent to 8 percent a year compared with a Swiss inflation rate of about 3 percent. But under current regulations, most lakeside towns are closed to foreign purchasers. The total number of dwelling units to be sold to non-Swiss buyers this year is limited to 200 in the lakeside Canton of Vaud, which includes such towns as Montreux, Lausanne, Morges, Nyon and Rolle.

Swiss officials, real estate agents contend, divide potential buyers into two categories: the rich and famous, whose presence brings wealth and prestige to Switzerland, and others, whose entry should be scrutinized and drastically limited in numbers.

For the potential buyers who are judged in Bern to belong to the desired category, the usual barriers to real estate ownership mysteriously disappear, agents say. Suddenly, an authorization materializes to buy this or that old chateau for a sum ranging from 3 million to 5 million Swiss francs (\$1.25 million to \$2.1 million).

Even then, Swiss real estate agents say, the buyer is well advised to spend a sizable amount of time and money in the country as evidence of his appreciation. While on visits to Geneva, one canny European billionaire regularly parks his Rolls-Royce illegally so that the tickets, duly recorded in police computers, will bear testimony to his presence in Switzerland.



View of the Lake

Condominiums in Montreux overlooking Lake Geneva. Montreux is the only lakeside town in the area where foreigners are still permitted to buy real estate.

scarce that already the city is becoming overbuilt. Of the two most attractive new buildings currently offering apartments to foreigners, one is tightly placed between older, less attractive buildings, and the other is perched high upon the steep mountainside, a location that offers a fantastic view but poses daunting transportation problems.

Purchase prices in Montreux rival those in Manhattan. For a three-bedroom apartment, the buyer must pay at least \$250,000 to \$350,000, depending upon the height of the floor and the view. An apartment with a lake vista commands a premium of 20 percent or so above one on a lower floor that looks out only on neighboring buildings. Moreover, foreigners may face fees for additional paperwork and services that could add 5 percent to 10 percent to the base price.

Those are not the only extra costs. The annual maintenance and bill-paying services provided by the building administrator amount to about 1 percent of the initial purchase cost. The apartment owner must also pay a small charge for fire insurance. More significantly, the foreigner is hit with less advantageous financing arrangements than his Swiss neighbor. While the Swiss may take out a first and second mortgage for up to 80 percent of the purchase price of a new dwelling at less than 6 percent interest, the foreign buyer usually can raise no more than 30 percent of the price on a single first mortgage and the rate is no less than 6.5 percent.

THERE are other financial disincentives. The foreign owner of a Swiss apartment cannot recover some expenditures by subletting the property for long periods. The Swiss police, who keep a discreet but watchful eye on new foreign buyers, tolerate at most only subleases of two or three months. Furthermore, for at least three weeks each year, the owner or his immediate family must live in the apartment.

Paradoxically, ownership of an apartment does not entitle the purchaser to a coveted Swiss residency permit. Like other tourists, the apartment owner may stay in the country for three months without a visa, but then must leave for at least a few days before re-entering.

Also, for the first five years after the purchase, the owner is forbidden from selling the property. After that, it can only be sold to a Swiss. Since real estate is plentiful and unrestricted for domestic buyers, a Swiss purchaser is unlikely to be willing to pay the higher price that a foreigner would need to recover his investment.

Despite the disincentives, purchase orders from foreigners continue to pour into Geneva and Lausanne real estate offices. Because of slack oil prices, Arab buyers, once the most active, for the moment have largely dropped out of the market. But their absence is offset by a surge of orders from Hong Kong. Real estate agents say Hong Kong residents are looking for a new haven after China takes over toward the end of the century. □

FUNDS

The Perils of Specializing

By Edith Cohen

AS investment dollars pour into mutual funds in the United States in record amounts, they are finding their way into what has become a popular product, the specialty fund. These are funds that seem to fly in the face of the conventional wisdom and appeal of mutual funds, namely, that a broadly diversified portfolio, managed by professionals, is the key to success.

Instead, the specialty funds focus on a particular industry, such as health care or utilities, and the investor essentially bets on being able to target an arena for dramatic growth. Although the possibilities for growth may be greater than in a fund diversified across many industries, by the same token, the chance of large fluctuations in net asset value make specialty funds decidedly not for everyone.

"The risk-averse investor should stay away," said Jeremy Duffield, vice president for product development at Vanguard Group of Investment Cos., which offers funds that specialize in energy, precious metals, health care, technology and service-oriented stocks. "They are for the more sophisticated investor."

While the specialty funds account for only a small percentage of the total amount invested in mutual funds, they are clearly capturing the imagination of investors. Although as group their performance this year has been almost identical to the performance of equity funds in general, specialty funds have dominated the list of top performers.

Michael Hines, equity funds product manager for Fidelity Select Portfolios, says the specialty funds represent a "rapidly growing minority among all mutual funds," increasing about 10 percent in the past year. In the four years since Fidelity has been offering specialty funds, Mr. Hines says, well over 100,000 investors have put more than \$1 billion into those at Fidelity alone. In addition to the more popular sectors, Fidelity also offers funds that concentrate in defense and aerospace, leisure and financial services.

The appeal is easy to understand. "By targeting, by being focused, you get all the advantages an individual sector has. Sectionalism is irrespective of the market," Mr. Hines said, so there is always a sector with something to offer.

Investors tend to choose a specialty through one of three approaches: by choosing an area that is already on the move and that they feel will continue to move; by taking the contrarian view, going "bottom fishing" as Mr. Hines puts it, and choosing an area that is not currently doing well but that seems likely to move next; or by choosing an industry well, perhaps one he works in, for example.

According to Mr. Hines, it is quite usual even for individual in-

Taking the Narrow View

Average performance of mutual funds grouped by specialty based on change in net asset value, including dividends, from the start of 1985 to July 25.

Specialty	Number of funds	Percent change
Health	5	+33.48
Natural resources	9	+14.89
Science and technology	22	+12.66
Utility	6	+15.40
Gold	16	+4.82

Source: Lipper Analytical Securities

vestors to cluster stock purchases around one industry or another. "We tend to see people like a particular industry, and investors know that industry groups tend to move together," he said.

Given that orientation, Mr. Hines says the specialty funds offer broader diversification than an investor is likely to construct on his own. Moreover, the big fund groups, like Fidelity and Vanguard, allow investors to move in and out among their specialty funds, offering a great deal of mobility at low cost. At Vanguard an investor can move among its sector funds at any time, with no fee. At Fidelity, the Select Portfolios four times a year at no cost. There is a \$50 fee for additional switches. "All the individual has to do," Mr. Hines said, "is pick the sector."

But that is one point at which specialty funds pick up critics. Glen King Parker, publisher of Mutual Fund Forecaster in Fort Lauderdale, Florida, says the essence of mutual funds is to provide the help of professional management in three basic decisions: market timing, industry concentration and specific stock. "The manager of the [specialty] group," he argued, "is abdicating the responsibility for one of those decisions back to the investor and saying, 'You have to decide on the industry.'"

On the other hand, Mr. Parker sees a decided advantage for fund managers. "From the point of view of the manager, the more specialty funds you have, the better chance you have of one of them being among the top 10 performers. The less diversified a fund is as to the number of industries represented or the number of stocks, the more likely it is to be an outlier in performance," he says. "People will be drawn in the next year, and if one is a loser, everyone tends to ignore it."

For example, in the first six months of 1985, Fidelity Select's health-care portfolio ranked as the top performing among mutual funds, up 46.93 percent, while its technology portfolio was fifth on the list of worst performers, off

3.51 percent, according to Lipper Analytical Services Inc.

Specialty funds also tend to be more volatile than broader mutual funds. In practice, according to A. Michael Lipper, president of Lipper Analytical Services, "most specialty funds are born after there is good performance. But the period of superior performance for a sector doesn't last as long as a period of superior performance for more generalized funds." And Mr. Parker says that trusting to a specialty fund rather than to the management of a portfolio offered in a general mutual fund merely "assumes that what happened in the past will happen in the future."

A GOOD example of the volatility is First Investors' Natural Resource Fund. It led Lipper's list of mutual fund winners in the first quarter with an increase in net asset value of 39.53 percent. In the second quarter, the fund was the second-ranked loser, down 15.7 percent.

With such caveats abounding,

Mr. Duffield of Vanguard acknowledged that "specialty funds aren't for everybody, but they meet the needs of the more aggressive investor who follows the market closely, finds an industry appealing and wants to get more diversified play in the future." The key seems to be how closely an investor is able to watch such funds. Some like to use them when they sense that an industry is about to take off, Mr. Duffield said. "But not everyone is that attentive, and if you don't want to be attentive, you shouldn't be in them," he cautioned. Mr. Hines agrees. "It is not an investment to disregard," he said. "It calls for a watchful eye on the investor's part."

However sophisticated the investor, warns Mr. Lipper, "a specialty fund is not an investment program. It can be part of one, but the balance of other investment and the timing of when to use the specialty fund is the responsibility of the investor."

Mr. Hines agrees. "Ultimately,

"There are a number of reasons why so many borrowers ask us to market their new issues. First of all, professional design increases the ultimate success of the issue. Then there's our acknowledged placing power, and finally, our group's distribution capabilities are recognized as among the best, worldwide."

Dr. Christian F. Pühr,
Senior Vice President

And it's not surprising, either. Swiss Bank Corporation started business as a securities issuing bank, so we have a long historical perspective on how the modern markets evolved and how they work. Over the last hundred years and more, we have acquired a good deal of expertise in providing financial assistance to many different borrowers from all over the world and in all major international capital markets.

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Limmat Zurich SSB 285

1. **ASK**
8/2 18%
9/2 9%
3/2 9%
8/4 9%
9/4 9%

2. **PLACEMENTS OF ITAL. AMERICAN**

Movie Deals Often a Shot In the Dark

By Leslie Whitaker

New York

LONG ON glitter, short on gold. That is the reputation of movie limited partnerships, offerings that have tempted thousands of investors to gamble on Hollywood's ability to produce blockbusters. Structured much the same way as oil and gas limited partnerships that raise money for energy exploration, movie partnerships bank on hitting a box-office gusher and benefit from tax breaks in the interim.

But while these public offerings have managed to raise huge sums for movie studios and generate hefty commissions for brokerage firms, critics say that they offer little to the individual investor.

Despite the fact that only one in six Hollywood films is profitable, movie limited partnerships have become increasingly popular in the past several years. Delphi Film Associates, a division of Merrill Lynch, has raised almost \$180 million for Columbia Pictures Industries Inc. and Tri-Star Pictures Inc. through four offerings in three years.

This summer Walt Disney Studios hopes to raise \$200 million through its second public offering put together by Silver Screen Partners, a unit of E.F. Hutton. Investors, who can spend as little as \$5,000, will be party to profits from four children's movies, including "The Black Cauldron" and "Return to Oz," scheduled for release this summer, and 10 to 15 adult films that will be released next year.

"My view is that there are definitely better ways to make money," said Larry Scherzer, an entertainment-accounting analyst with Arthur Young & Co. He sums up the attractiveness to investors in one word: "Sizzle."

"We try to steer our clients clear of movie partnerships," said Barbara Russell, an analyst with Prudential-Bache. "The statistics show that the investor has not fared very well."

Movie partnerships typically lend money to one or two movie companies for use in the production of a slate of movies. Like the movie studios themselves, partnerships like to spread their risk over a number of productions. General partners, who manage the partnerships, say they keep a close eye on the budget and production schedules of films that they have an interest in.

But prospectuses, and the potential rewards, vary widely among offerings. Some entice investors to no more than 30 percent of the proceeds from domestic distribution, generally the most lucrative source of a film's income, and a much higher proportion of the smaller sums generated by, say, the sound track.

Many investors have benefited from substantial tax breaks, however, that are passed



Sylvester Stallone in 'Rambo.' It's a hit, but investors will have to wait.

through to the partners. U.S. investors in an offering in 1982 by Delphi, which included an interest in the smash hit "Tootsie," were able to take a federal income-tax deduction equivalent to about 72 percent of their investment that year. By May of this year, they had received cash distributions of almost 40 percent and tax credits totaling 7 percent of their original investment. Lewis Korman, Delphi's managing partner, feels certain that revenues will eventually exceed the partnership's original contribution.

Most brokerage firms contend that profits will show, but not until several years down the road, when all of the movies have been released and sold to profitable secondary markets, such as television and video cassettes. Exorbitant production costs are part of the reason. Sylvester Stallone's latest hit, "Rambo: First Blood Part II," which has generated more than \$140 million in receipts so far, cost \$30 million to produce. Investors in Delphi IV, which has an interest in the film, still cannot expect to see a profit for several years.

Another reason for the elusive nature of profits from movie partnerships is the high percentage that studios take off the top for distribution costs. High distribution deductions mean that a film must earn three times its production cost — a rare event — to benefit investors.

Ironically, the most profitable movie partnerships may be those devoid of glamour.

Investors in Troma Co., an independent producer of low-budget, slightly raunchy comedies, are not courted with slick prospectuses that discuss the past hits of Hollywood stars.

Troma's few private investors commit much larger sums than those accepted by public offerings. But, according to published reports, their return is substantial. "Squeeze Play," a film Troma made in 1982 for \$300,000, grossed \$1 million at the box office and returned a 50-percent profit to investors after 18 months.

Although the tax exemptions offered by movie limited partnerships have yet to be challenged by the Internal Revenue Service, that real possibility presents an added risk.

And now, numerous proposals in Congress for revamping the tax system place the tax breaks in further jeopardy.

Consequently, some offerings have been

structured with built-in guarantees for a return of the principal, thereby minimizing the importance of tax breaks. Silver Screen II, for instance, guarantees investors a 100-percent return at the end of 15 years. Because there is no risk to investors, the IRS will not accept tax deductions.

"I structured Silver Screen partnerships with guarantees because I do not feel that the movie industry is a tax-driven industry," said Roland Betts, president of Silver Screen. Mr. Betts declined to comment specifically on Silver Screen II because of Securities and Exchange Commission regulations barring him from discussing an offering that is still being sold.

EVEN partnerships that rely on tax deductions to entice investors have restructured to include guarantees. Delphi IV, which raised \$40 million for Columbia and Tri-Star Pictures this summer, is designed so that investors' money is returned from unprofitable films before distribution costs are paid to the film company. Delphi's first three offerings deducted investments in unprofitable films from the earnings generated by the box-office hits. "We think the risk of loss is substantially reduced," said Delphi's Mr. Korman.

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"We don't have the high star salaries and production costs," explained Lloyd Kaufman, Troma co-founder, whose office is in a fourth-floor walk-up in midtown Manhattan. "And we can't offer our investors any big cocktail parties. When we've had some food, we've gotten it for free," he said.

FALLING interest rates and a growing money supply continued to spur New York markets in July, despite widespread concern about Congress's inability to pass a deficit-reducing budget. The Dow Jones Industrial Average hit a record at 1,359.54 on July 19, but closed the month at 1,347.45, only 7 points above June's closing. Standard & Poor's Composite Index closed less than a point lower than in June at 1,90.92.

"I think we traveled a long way to get nowhere," said Hugh Johnson, president and head of investment strategy at First Albany Corp. He said most of last month's activity reflected investors shifting from interest-sensitive stocks, such as utilities, savings and loans, insurance and banks, to cyclical stocks, such as metals, consumer durables, some retail companies and basic industries.

Analysts say the change in strategy reflects the market's conviction that the U.S. economy will rebound in the second half. Last month's news that the gross national product rose only 1.7 percent in the second quarter, sharply lower than the previous government estimate of 3.1 percent, barely stirred the market.

Levi Strauss emerged as the New York Stock Exchange's top performer last month after accepting a buyout offer from its president, Robert Haas, and members of his family. They will purchase the 22 million shares they do not already own at \$30 a share.

Philippe Dodge was a close second. Aside from the market's faith in the company's recovery, Value Line analyst Tom Arn said last month's success was fueled by forecasts of a rise in copper prices next year. July's announcement of strong second-quarter earnings was behind the gains scored by toy manufacturer Tonka Corp.

Toppling the list of worst performers was A.H. Robins. The pharmaceutical manufacturer continued to wrestle with settlements related to its Dalkon Shield contraceptive diaphragm. Last month a federal judge declined the company's request to consolidate punitive damage claims.

AMP Corp., a manufacturer of industrial equipment and leisure products, saw heavy selling in response to the terms of its takeover by Irwin Jacobs of Minstar Inc.

Mr. Jacobs, who gained control of the company by purchasing 12.5 million shares at \$24 a share, offered 10-percent subordinated debentures for the remaining shares.

Analysts said investors preferred to sell their shares for cash. Applied Data Research said its stock price slumped after it reported a second-quarter loss of \$3.1 million.

The American Stock Exchange index finished the month at 233.92, up slightly from last month's 230.89. Leading the exchange was Martin Processing, a manufacturer of carpet and upholstered dyes which announced second-quarter earnings that were much higher than last year's.

In London, the market "generally wanted to fall" in response to the pound's strengthening against the dollar, said Mark Lewis, an analyst at Vickers on Costa.

Although sterling's gains gave the government wider room to maneuver interest rates lower, most analysts were concerned about its adverse impact on the export earnings of big British concerns.

A Shift of Strategies in July

Market Scoreboard

Stocks on the New York, London and Tokyo exchanges that showed the largest percentage gains and losses in July.

GAINERS

	Percent Gain	July 31 Price	
New York Stock Exchange: Compiled by Media General Financial Services. Prices in dollars			
Levi Strauss & Co.	40	49.50	40 10.63
Phelon Dodge	28	23.75	28 13.38
Tonka Corp.	37	29.75	28 26.38
Vendo Company	34	10.88	18 13.50
Comdisco Inc.	30	19.00	17 11.88
Alberto-Culver Co.	29	22.25	16 16.00
Amico Inc.	26	10.75	16 31.88
Pan American Banks	27	39.75	16 10.75
APL Corporation	27	10.00	16 18.13
Far West Financial	27	37.00	16 31.88

American Stock Exchange:

	Percent Gain	July 31 Price	
American Stock Exchange: Compiled by Media General Financial Services. Prices in dollars			
Clopay Corp.	32	12.88	12.88
Ero Ind. Inc.	19	10.00	10.00
AMC Entertainment	19	17.00	17.00
Transactech	18	14.88	14.88
Western Health	18	18.75	18.75

Over the Counter:

	Percent Gain	July 31 Price	
Over the Counter: Compiled by Media General Financial Services. Prices in dollars			
Merchants Natl.	77	43.00	31 13.13
Copylex Inc.	50	28.13	28 19.00
First Maryland	43	59.50	25 15.38
Computrac	41	11.25	24 10.63
Early California	39	11.25	24 13.63

London Stock Exchange:

	Percent Gain	July 31 Price	
London Stock Exchange: Compiled by Capital International. Prices in pence			
TI Group	32	236	22 104
Bowater Industries	25	313	19 132
Allied Irish Banks	24	136	16 70
Rank Organisation	23	388	16 338
Tarmac	22	336	15 278
Marchwell McAlpine	21	202	13 274
Plessey	18	148	11 125
BPB Industries	18	270	11 143
BSR International	18	60	11 73
Woolworth Holdings	18	448	10 666

Tokyo Stock Exchange:

	Percent Gain	July 31 Price	
Tokyo Stock Exchange: Compiled by Capital International. Prices in yen			
Nippon Hodo	57	1,300	26 1,790
Mazda Construction	56	873	25 1,460
Penta Ocean Construction	28	381	24 608
Kajima	28	399	24 1,430
Tos Harbor	27	339	23 1,100
Taisei Corp.	24	308	22 2,330
Daiwa Bank	22	760	22 1,050
Kaneko	20	445	22 918
Obayashi Corp.	20	358	22 935
Kumabe-Gumi	19	740	22 898

manufacturer of carpet and upholstered dyes which announced second-quarter earnings that were much higher than last year's.

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Although sterling's gains gave the government wider room to maneuver interest rates lower, most analysts were concerned about its adverse impact on the export earnings of big British concerns.

Nevertheless, the market moved higher, helped in part by takeover rumors. The Financial Times All-Shares Index ended the month at 606.45, up 10.91 points from June's close after dipping to a low of 591.23 in mid-July.

TI Group, one of Britain's biggest engineering concerns, showed the steepest gain after reports that a group led by Everett had made a bid for the company. Bowater Industries gained on news that Hanson Trust had built up a 7-percent stake. Allied Irish rose on rumors

that it was planning to sell its stake in First Maryland Bancorp. in the United States.

In Tokyo, the Nikkei-Dow average closed at 12,232.27, down 649.83 points from a month earlier.

Financial stocks and those related to the government

INTERNATIONAL BUSINESS/FINANCE

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EUROBONDS

Market Was Ho-Hum Over Speculation on U.S. Rates

By CARL GEWIRTZ
International Herald Tribune

PARIS — The prospect of a renewed decline in U.S. interest rates, normally a powerful incentive for investors to buy dollar-denominated Eurobonds, failed to excite the international capital market last week. The effect such a rate decline could have on pushing up bond prices was overshadowed by fears that it also would send the dollar's value skidding on foreign-exchange markets.

Although analysts remain divided about the outlook for the U.S. economy and the drift of interest rates, expert opinion appears to be shifting in favor of a further rate cut to get the economy moving again.

This was the opinion of Henry Kaufman, chief economist at Salomon Brothers. "With the economy not yet showing any signs of a third-quarter rebound," he said, "the Federal Reserve will most probably continue its policy of providing a substantial volume of reserves to the banking system and an eventual easier monetary stance cannot be entirely ruled out."

He said Friday that, "the scattered data now available for July are probably disquieting to the Fed. Declines in auto sales together with reports from retailers suggest that consumers are retrenching after a first-half spending spree."

Reinforcing prospects for slower growth are expectations of only small gains in industrial production and personal income for July," Mr. Kaufman continued. "Also, the retarding influence of the foreign trade sector continues to affect demand overseas."

This view may help explain why last week's record \$21.75-billion refinancing by the U.S. Treasury produced lower rates on its offerings of three-, 10- and 30-year paper than had generally been expected. The securities were sold at yields of 9.81, 10.6 and 10.66 percent, respectively, the lowest since mid-1983. This sparked a late week rally in New York bond prices, but produced little echo in the Eurobond market.

What demand there was for dollar securities from foreign investors — primarily in Japan — continued to go into the Treasury market, whose enormous liquidity assures them that their holdings can readily be sold with the least adverse impact on prices.

While investment bankers expressed conflicting views about how much demand there was for Eurodollar bonds, the fact was that three straight issues for U.S. borrowers were floated last week. In the previous two weeks, no U.S. issuers had tapped the market because the terms available here were unfavorable compared with New York.

LAST week, both Citicorp and a double-A-rated unit of United Technologies saved an estimated 10 basis points, or 0.1 percent, by issuing here. Placement obviously was not as easy as U.S.'s \$100-million of 10 percent, 10-year bonds ended the week trading 2/4 points below the offering price of 99 1/2, or just outside the 2-percent commission paid to underwriters. The third was a three-part offering by Connecticut Mutual Life Insurance Co. of mortgage-backed securities having a face value of \$343.7 million.

The best received of the new dollar offerings was one that will only be officially launched this week — \$500 million of bonds convertible into shares of Rockefeller Center Properties. The magic of the name has enabled managers to replace 80 percent of the paper, lead manager Goldman Sachs reported.

In all, \$1.1 billion will be raised, including \$600 million of common stock to be marketed in the United States. The sale will be the Rockefellers' personally holding only 40 percent of the 12-building complex that sits in the heart of New York City.

The bond offering consists of two parts: \$730 million (face value) of zero-coupon bonds which will be sold at a deep discount of 22 1/2 percent of the nominal value, raising \$165 million in cash, and \$333 million of bonds bearing an 8-percent coupon for the first nine years and 13 percent for the final six.

The terms have been based on the assumption that rental income rises 6 percent a year over the 15.25-year life of the issues. The implied increase in the value of the shares would produce a total return of 11.4 percent for holders of the zero bonds and 12.4 percent for holders of the coupon issue. If the inflation rate is, for example, 8 percent a year, holders of the zeroes could expect a return of 13.43 percent versus 13.27 percent on the others.

The zero-issue's greater sensitivity to the inflation rate also

(Continued on Page 13, Col. 5)

Bi-Invest Resists Takeover

Seeks to Overturn Montedison Stake

Reuters

MILAN — Bi-Invest SpA, the Italian finance group, has started legal proceedings in an effort to overturn a takeover by Montedison SpA, the country's largest chemicals concern.

A writ served on Friday by lawyers acting on behalf of Carlo Bonomi, chairman of Bi-Invest, asked a Milan court to declare illegal the acquisition last month by Montedison of 37 percent of Bi-Invest's share capital.

The writ asked that Montedison be instructed to sell its Bi-Invest shares and be prevented from buying any more of the company's stock.

On July 8, Montedison confirmed press reports that it had wrested control of Bi-Invest away from the Bonomi family of Milan in what observers called one of the most spectacular raids in the history of the Milan bourse. Montedison had retained its anonymity during the takeover, acquiring the shares through a subsidiary.

Stock analysts estimated that the chemicals group had paid 250 billion lire, about \$133 million at current exchange rates, for the shares.

The action drew strong criticism from Italy's industrial establishment on grounds that Montedison was indirectly buying into one of its own shareholders.

At the time of the takeover, Bi-Invest owned a big stake in Gemina SpA, an investment company that is the single largest shareholder in Montedison, with a 17.1-percent interest.

Bi-Invest said on Friday that it was reducing its stake in Gemina to 2.3 percent from 17.2 percent by selling 14.9 percent of Gemina's capital to existing shareholders in a transaction valued at around 100 billion lire.

A daily newspaper in Milan, *Il Sole/24 Ore*, reported Saturday that the move appeared to indicate Mr. Bonomi was preparing a counterattack on Montedison by raising cash to buy back Bi-Invest shares.

But it was not clear whether Mr. Bonomi wanted to win back full control of his company, the newspaper said. The Bonomis are believed to hold around 30 percent of Bi-Invest's stock.

Indesit Calls for Receiver

Shareholders of Indesit SpA, the Italian appliance manufacturer, have voted to put the company in receivership after failing to find a foreign buyer, Reuters reported Saturday from Turin.

Indesit said it had suffered mounting first-half losses after losing 106 billion lire in 1984.

In Italy, companies can petition a court to appoint officials to run their affairs for up to two years, during which time debts and liabilities are frozen while efforts are made to restructure the business.

Indesit said last month that it was hoping for a rescue by Bosch-Siemens AG. But the West German company later said it was not interested in acquiring a stake in the company.

(Continued on Page 13, Col. 5)

Grand Met To Buy U.S. Health Firm

International Herald Tribune

LONDON — Grand Metropolitan PLC has announced an agreement to buy Pearle Health Services, a U.S.-based retailer of eye-care products, for \$386 million.

The move, announced Friday, fits in with Grand Met's strategy of reducing dependence on its slower-growth businesses, such as tobacco and dairy products, and expanding in consumer services and products.

Grand Met has agreed to buy a 40-percent stake in Pearle from G.D. Searle & Co., the pharmaceutical company that Monsanto Co. recently agreed to acquire. To increase the stake to 53 percent, Grand Met is to acquire authorized but uninsured shares from Pearle. Grand Met plans a tender offer for the remaining shares.

Pearle, based in Dallas, has more than 1,270 outlets in the Americas and Europe. It reported pretax profit of \$42.1 million last year.

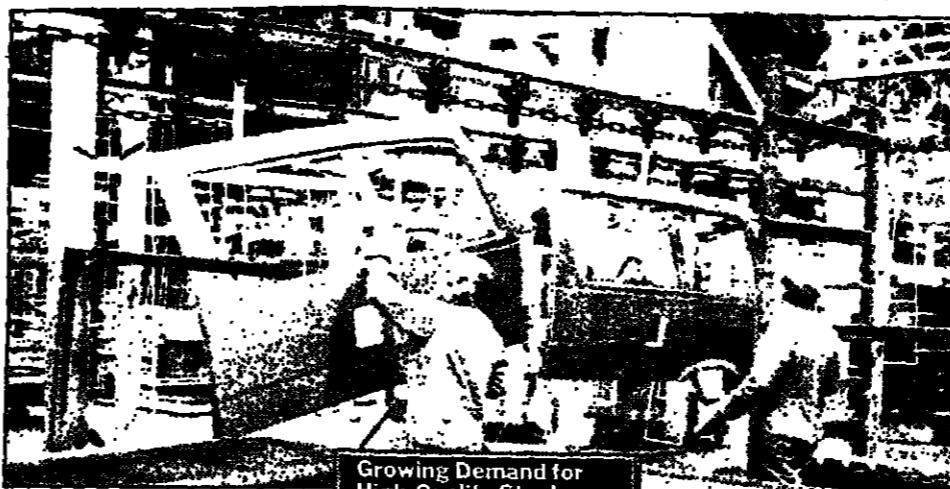
Early this year, Grand Met completed the acquisition for about \$124 million of Quality Care Inc., which is based in Rockville Center, New York, and operates home-nursing services. In 1983, Grand Met paid about \$30 million for Children's World Inc., an operator of child-care centers.

In 1981, it bought Intercontinental Hotels from Pan American World Airways for \$500 million.

This year, Grand Met agreed to sell its milk business in northern England to Northern Foods PLC for £1 million (\$70 million) and its U.S.-based Pankerton Tobacco Co. unit to Svenska Tobaks AB for \$137.8 million. Grand Met also has been trying to sell its U.S. cigarette unit, Liggett & Myers Tobacco Co.

(Continued on Page 13, Col. 5)

Burnishing the U.S. Steel Industry



Changes Follow Pressure From Automakers

By Jeffrey A. Leib
New York Times Service

CHICAGO — Three years ago, Ford Motor Co. was rejecting and returning nearly 9 percent of the steel it purchased from suppliers because of surface defects or faulty chemistry. Now, the rate has been reduced to less than 2 percent.

Similarly, Ford has forced its suppliers to reduce delinquent deliveries of steel to less than 3 percent today, from 20 percent in August 1983.

On a crash program to close the "quality gap" with their foreign counterparts, particularly the Japanese, Ford and other domestic automobile manufacturers have been pressuring U.S. steel manufacturers to improve their performance.

And while most industry experts contend that steel producers have still not attained the production quality of their Japanese counterparts, the steelmakers have been making significant changes in their businesses, ranging from improvements in quality and delivery times to the industry's growing adoption of a type of steel that will help make cars more rustproof.

"In the past, U.S. steelmakers felt it didn't cost anything to throw rejected product back in furnace," said John D. Debbink, vice president in charge of material management at GM.

Despite the new cooperative approach between the two industries, and the automakers' long-standing loyalty to domestic steel producers — GM and Ford each buy more than 95 percent of their steel from United States

activities for General Motors Corp.

Still, National Steel Corp.

estimates that Japanese producers

have a 15-percent advantage in quality, measured by rejection rates of finished products, over U.S. steelmakers.

A company spokesman said that the Japanese also have a 12-percent advantage in yield, the percentage of finished product that is obtained from raw steel.

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Weekly International Bond Prices

Prices may vary according to market conditions and other factors.

DM STRAIGHT BONDS

AIGHT

American Exchange Options

Figures as of close of trading Friday.

The Daily Source for International Investors.

Herald Tribune

U.S. Aims to Urge
More Flexibility on
East-West Trade

Soviet Union Intensifies Its Campaign Against

CONVERTIBLE BONDS

HIGHEST CURRENT YIELDS
convertibles having a conversion premium

100% of bonds having a conversion premium of less than 10%.

1981-82: 100% of the time, having a conversion premium of less than 10%.									
UNITED STATES AMERICA									
	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
15 Adhesives Int'l 12.5%	4% 15 May	7%	1 Dec 88	5.89	108.45				
16 Alaska Int'l 2.43%	5% 15 Dec	7%	25 Sep 81	122.448	24.5	2.51			
17 American Cos 17.7%	4% 15 May	7%	1 May 89	122.448	24.5	2.51			
18 American Express 11.33%	4% 17 May	7%	15 May 73	122.448	24.5	2.51			
19 American Galler 24.4%	5% 15 May	10%	14 May 84	122.448	24.5	2.51			
20 American Motor 14.45%	4% 12 Apr	7%	1 Dec 88	122.448	24.5	2.51			
21 Amfi Incorp 19.5%	5% 15 Sep	7%	1 Oct 73	122.448	24.5	2.51			
22 Apache Int'l Fin 43.5%	7% 16 Dec	7%	1 Apr 73	122.448	24.5	2.51			
23 Bankers Int'l 34.13%	5% 16 Dec	7%	14 Oct 81	122.448	24.5	2.51			
24 Beatrice Foods 52.74%	7% 16 Nov	7%	1 Dec 87	122.448	24.5	2.51			
25 Beatrice Foods 61.72%	6% 16 Nov	7%	1 Jun 71	122.448	24.5	2.51			
26 Beatrice Foods 55.71%	4% 17 Sep	7%	1 Jun 72	122.448	24.5	2.51			
27 Beatrice Foods 62.84%	4% 17 Sep	7%	1 Apr 72	122.448	24.5	2.51			
28 Beatrice Foods 52.74%	4% 17 Sep	7%	1 Apr 72	122.448	24.5	2.51			
29 Blocker Energy 45.7%	10% 15 Jun	7%	25 Oct 80	122.448	24.5	2.51			
30 Broadview-Hole 24.18%	4% 17 Sep	7%	15 Jun 72	122.448	24.5	2.51			
31 Carter Cos 34.4%	6% 19 Dec	7%	31 Jul 71	122.448	24.5	2.51			
32 Cdc Control Int'l 16.55%	7% 15 Jun	7%	15 Oct 81	122.448	24.5	2.51			
33 Charter Int'l Fin 20.51%	7% 15 Jun	7%	5 Feb 81	122.448	24.5	2.51			
34 Chevron Cos Fin 4.37%	5% 15 Feb	7%	1 Aug 80	122.448	24.5	2.51			
35 Christopher 16.13%	5% 15 May	7%	1 Dec 87	122.448	24.5	2.51			
36 Christopher 16.34%	5% 15 May	7%	1 Dec 87	122.448	24.5	2.51			
37 Comsat Int'l 29.44%	7% 15 Dec	7%	15 Oct 81	122.448	24.5	2.51			
38 Comsat Tel Int'l G.M.	5% 15 Mar	7%	1 Apr 79	122.448	24.5	2.51			
39 Crocker Finance 29.4%	5% 15 Dec	7%	4 May 81	122.448	24.5	2.51			
40 Cummins Int'l Fin 18.33%	5% 15 Oct	7%	15 Jun 72	122.448	24.5	2.51			
41 Cummins Int'l Fin 22.44%	5% 15 Oct	7%	15 Jun 72	122.448	24.5	2.51			
42 Cummins Int'l Fin 22.44%	5% 15 Oct	7%	15 Jun 72	122.448	24.5	2.51			
43 Dynlectron Int'l 51.13%	7% 15 May	10%	15 Sep 80	122.448	24.5	2.51			
44 Enchanted Mirror 15.23%	4% 15 Dec	7%	15 Sep 80	122.448	24.5	2.51			
45 Enchanted Mirror 20.05%	8% 14 Jun	10%	15 Sep 80	122.448	24.5	2.51			
46 South Calif Edl 61.78%	10% 14 Jun	10%	15 Sep 80	122.448	24.5	2.51			
47 Taylor Woodrow Int'l	5% 15 Dec	7%	15 Sep 80	122.448	24.5	2.51			
48 Ape Ab	5% 15 Sep	7%	15 Sep 80	122.448	24.5	2.51			
49 Bolcock Nederland	7% 12 Oct	7%	15 Sep 80	122.448	24.5	2.51			
50 Cadbury Schweppes	8% 18 Dec	7%	15 Sep 80	122.448	24.5	2.51			
51 Inc O/F Finance 20.83%	8% 15 Sep	7%	15 Sep 80	122.448	24.5	2.51			
52 Gillette Co's Fi 18.32%	8% 15 Sep	7%	15 Sep 80	122.448	24.5	2.51			
53 Benco Svizzera Italia	5% 22 Oct	7%	15 Sep 80	122.448	24.5	2.51			
54 Moel International 4.65%	7% 17 Jun	7%	15 Sep 80	122.448	24.5	2.51			
55 St Paul Cos 14.87%	7% 20 Apr	10%	15 Sep 80	122.448	24.5	2.51			
56 Under Finance 33.67%	7% 27 Sep	10%	15 Sep 80	122.448	24.5	2.51			
57 State Ab	7% 27 May	10%	15 Sep 80	122.448	24.5	2.51			
58 Lormo Finance	8% 01 Oct	10%	15 Sep 80	122.448	24.5	2.51			

Explanation of Symbols

15 Currencies Inv Fin 10.35 9-11 MOU
20 Commodity Inv Fin 72.45 9-11 MOU
25

New Eurobond Issues

Compiled by Laurence Devilleter from information supplied by European bond traders.

Issuer	Amount (millions)	Mat.	Coup. %	Price end-week	Terms
FLOATING RATE NOTES					
Credit Foncier	\$350	1997	Libor	100.05	101.00
					Coupon pegged to the higher of 1-month Libor or 6-month London interbank money market. Callable at 100.05 in 1986. Fees 0.10%.
Abbey National Building Society	£35	1986	1/16	100	99.85
					Over 3-month Libor. Floating rate certificates of deposit. Denominations £50,000.
Belgium	DM 500	1997	1/16	100	99.92
					Over 6-month Libor. Callable at par in 1990. Fees 0.20%.
FIXED-COUPON					
Citicorp	\$200	1988	10	100%	99.38
CM Int'l	\$79.85	1990	10%	100	98.88
CM Int'l	\$147.95	1995	11	97%	98.00
CM Int'l	\$115.9	2000	zero	18.8	18.05
IBM Japan	\$100	1992	10%	100%	99.38
Kawasaki Steel	\$50	1995	10%	101%	—
Mitsubishi	\$100	1995	10%	101	99.50
Sumitomo Metal	\$100	1990	10%	101%	99.88
Toyo Engineering	\$50	1990	10%	101%	—
United Technologies	\$100	1995	10%	99%	97.38
Finance Services	DM 200	1997	6%	99	99.25
Sterling Transferable Accruing Government Securities Ltd	£309.25	—	zero	—	—
Mitsui Finance Asia	ECU 32	1995	8%	100	97.88
CIBC	CA\$75	1990	10%	100%	98.63
Australian Telecommunications	Aus\$60	1992	13	100%	97.75
Barclays Australia	Aus\$50	1990	12%	100%	—
Bergen Bank	NZ\$50	1988	16%	100%	97.38
Dort & Kraft	NZ\$60	1988	16%	100%	—
American Express	Y 25,000	1995	8	100%	99.25
Crédit National	Y 20,000	1995	8	101%	99.25
Denmark	Y 20,000	1997	7%	100	98.25
IBM Credit	Y 25,000	1995	8	101%	99.63
Dansk Olie & Naturgas	DK 300	1992	10	100%	100.13
EQUITY-LINKED					
Aica Kogyo	\$20	1990	7%	100	—
Comcast	\$50	2000	7	100	—
Rockefeller Center Properties	\$335	2000	open	100	99.25
Rockefeller Center Properties	\$730	2000	zero	22.58	22.08

All the securities having been sold, this advertisement appears as a matter of record only

June 1985

N.Z. \$ 22,500,000
FINANCE CORPORATION OF NEW ZEALAND N.V.
(incorporated with limited liability in the Netherlands Antilles)
16 1/4 % Guaranteed Bonds Due 1989
 Unconditionally and irrevocably guaranteed by
Brierley Investments Limited
(incorporated with limited liability in New Zealand)

BIL

BANK GUTZWILLER, KURZ, BUNGENER (OVERSEAS) LIMITED

BANK BRUSSEL LAMBERT N.V.
EAY, RICHWHITE & COMPANY LIMITEDDG BANK DEUTSCHE GENOSSENSCHAFTSBANK
LLOYDS BANK INTERNATIONAL LIMITEDBANK OF NEW ZEALAND
NOMURA INTERNATIONAL LIMITEDE. GUTZWILLER & CIE
NEDERLANDSE CREDIETBANK N.V.

All the securities having been sold, this advertisement appears as a matter of record only

A\$ 27,500,000
FINANCE CORPORATION OF NEW ZEALAND N.V.
(incorporated with limited liability in the Netherlands Antilles)
14% Guaranteed Bonds Due 1990
 Unconditionally and irrevocably guaranteed by

Brierley Investments Limited
(incorporated with limited liability in New Zealand)

BIL

BANK GUTZWILLER, KURZ, BUNGENER (OVERSEAS) LIMITED

BANK OF NEW ZEALAND
DG BANK DEUTSCHE GENOSSENSCHAFTSBANK
SECURITY PACIFIC LIMITEDBANK BRUSSEL LAMBERT N.V.
EAY, RICHWHITE & COMPANY LIMITED
NOMURA INTERNATIONAL LIMITEDDAIWA EUROPE LIMITED
LLOYDS BANK INTERNATIONAL LIMITED
BANK OF MONTREAL
NEDERLANDSE CREDIETBANK N.V.
RABOBANK NEDERLANDE. GUTZWILLER & CIE
NEDERLANDSE CREDIETBANK N.V.
RABOBANK NEDERLAND

EUROPEAN COMMUNITY

U.S. Trade Representative Praised After Steel Pact Negotiated

By Steven J. Dryden
International Herald Tribune

BRUSSELS — Not surprisingly, Clayton K. Yeutter, the new U.S. trade representative, has won high marks from EC officials following the successful conclusion last week of negotiations on limiting certain steel exports to the United States.

Despite a 25-percent cutback in EC exports for the rest of the year, the agreement allowed the community to claim that it was able to boost potential sales that could boost the 1985 amount past the 1984 export total of 632,000 tons.

But U.S. sources said that according to information from buyers in the United States, the EC's total sales this year probably will equal only a little more than 90 percent of the 1984 amount.

Nevertheless, one community official said of the agreement: "I didn't think a new man could do this." Mr. Yeutter, the official added, obviously has "some clout" and "can speak for himself."

But the official added that he was not sure that the U.S. steel industry would accept the agreement.

In the secondary market Friday, the Treasury's new 10-percent bonds due in 2015 were offered at 100 6/32 to yield 10.60 percent.

That compared with a price of 99 22/32 on Thursday, when the bonds were sold at auction with an average yield of 10.66 percent. Short-term rates were unchanged.

Henry Kaufman, chief economist at Salomon Brothers Inc., said Friday that since there are no signs yet of a third-quarter economic rebound, the Federal Reserve probably will continue to provide a substantial volume of reserves to the banking system "and an eventual easier monetary stance cannot be ruled out entirely."

The split coupon is designed to provide an average annual income over the 15.25-year life of the issue of 9 1/4 percent. The implied annual return on the zero is 10 1/4 percent.

The zero-issue, of course, produces no annual income for holders as the 10 1/4 percent is derived from the fact that holders are to pay only \$22.58 for paper that will be worth \$100 at maturity.

On Dec. 31, 2000, New York real-estate values have collapsed and bondholders deem it unattractive to buy the shares, the bonds can be exchanged for seven-year floating-rate notes. That coupon will be set in a range of 4% to 1 percentage point over the London interbank offered rate. The exact rate will be set in 2000, aimed at assuring that the paper trades at par so that holders who want to cash in can get the full dollar value of their paper.

The emergence of Japan as bank

ers' plans came in an article this summer in the West German magazine *Der Spiegel*, in which its Brussels correspondent speculated that Mr. Delors might return to Paris to serve as prime minister under President François Mitterrand if the composition of the cabinet is changed after the next national assembly elections.

Asked recently about the article, Mr. Delors made light of the question with a reference to the criticism he suffered as finance minister while implementing an austerity program for Mr. Mitterrand.

Delors-watchers were quick to jump on comments he made to *Le Monde* in May, when he told the West German magazine *Spiegel* that the members states did not take action on his proposals to improve Europe's technological cooperation, he would have nothing more to do in the position I now occupy."

After these remarks were published, his spokesman spent several days fending off reporters who wanted to know if Mr. Delors was threatening to resign.

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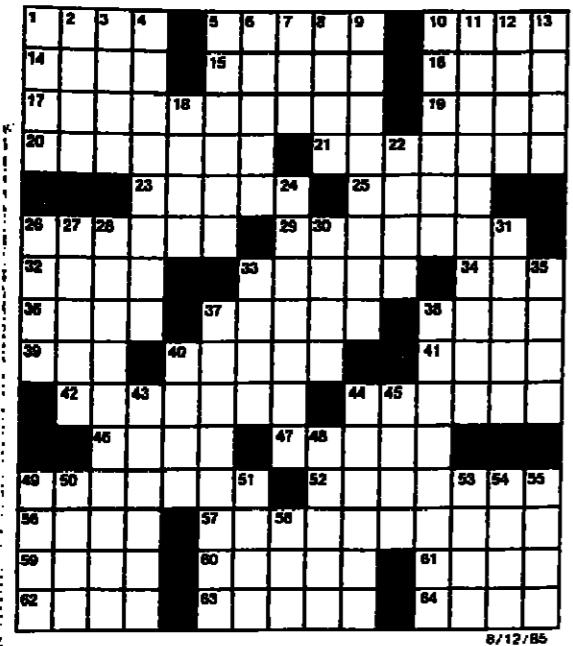
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Asked recently about the article, Mr. Delors made



ACROSS

1 A Roosevelt
5 Passover feast
10 Start of a C.
Moore poem
14 Egyptian sun
god
15 Jibe
16 Part of a scale
17 Plantation
machines
19 Pt. of a
monogram
20 Where Castro
got started
21 James Bond
foe
23 Frail; weak
25 Pt. of Ohio
(McKinley
epitaph)
26 Vehicle
displayed in
New Orleans
29 Sights in
Newport, R.I.
32 Our last
major
33 TV network
leader
34 An O'Neill
36 Opposite of
apterous
37 Is solicitous
38 — For
39 Lux. neighbor
40 Hunter's hide
41 His lies caused
uxoricide

42 Nap
44 Gave a leg up
46 Three scruples
47 Factious
48 End of Yale's
motto
52 Traitor rice
54 V.
56 Wake-robins
57 Hawthorne's
"Tales"
59 Montague, for
one
60 Succeed
61 Selvage
62 Role Sieber
played
63 Did some
tailoring
64 Open—
policy

65 Swelled;
swelled
66 Calf's cry
67 Seavastopol is
beneath
68 Entitled
69 For timber
70 Baronets' for
mer
71 Epoch
72 Rational
73 Puss
74 African
republic
75 Stettin's
stream
76 Austral. state

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DENNIS THE MENACE



'ALL I KNOW IS HE WINS BREAD AN' BRINGS HOME
THE BACON...ALL FOR A DOLLAR A DAY.'

JUMBLE

Print answer here:

(Answers tomorrow)

Friday's: Jumble: YOUNG IDIOT DREDGE VANDAL
Answer: A beauty salon is a place where this might happen—THE LIVING GO TO "DYE."

WEATHER

EUROPE		HIGH	LOW	ASIA		HIGH	LOW
Algeria		25	15	Bangladesh		25	15
Austria		25	15	Bhutan		25	15
Athens		25	15	China		25	15
Bahrain		25	15	Hong Kong		25	15
Barcelona		25	15	India		25	15
Berlin		25	15	Iran		25	15
Bosnia		25	15	Israel		25	15
Budapest		25	15	Japan		25	15
Bulgaria		25	15	Korea		25	15
Canada		25	15	Malaysia		25	15
Denmark		25	15	Mongolia		25	15
Dublin		25	15	Philippines		25	15
Egypt		25	15	Singapore		25	15
Finland		25	15	Taiwan		25	15
Florence		25	15	Taiwan		25	15
Frankfurt		25	15	Taiwan		25	15
Greece		25	15	Taiwan		25	15
Hamburg		25	15	Taiwan		25	15
Iceland		25	15	Taiwan		25	15
Ireland		25	15	Taiwan		25	15
London		25	15	Taiwan		25	15
Madrid		25	15	Taiwan		25	15
Malta		25	15	Taiwan		25	15
Moscow		25	15	Taiwan		25	15
Norway		25	15	Taiwan		25	15
Otta		25	15	Taiwan		25	15
Paris		25	15	Taiwan		25	15
Prague		25	15	Taiwan		25	15
Rome		25	15	Taiwan		25	15
Stockholm		25	15	Taiwan		25	15
Strasbourg		25	15	Taiwan		25	15
Venice		25	15	Taiwan		25	15
Vienna		25	15	Taiwan		25	15
Wiesbaden		25	15	Taiwan		25	15
Zurich		25	15	Taiwan		25	15
MIDDLE EAST		25	15	Taiwan		25	15
Amman		25	15	Taiwan		25	15
Beirut		25	15	Taiwan		25	15
Bahrain		25	15	Taiwan		25	15
Jerusalem		25	15	Taiwan		25	15
Tel Aviv		25	15	Taiwan		25	15
OCEANIA		25	15	Taiwan		25	15
Auckland		25	15	Taiwan		25	15
Sydney		25	15	Taiwan		25	15

MONDAY'S FORECAST: CHANNEL: Moderate. FRANKFURT: Cloudy. MADRID: Cloudy. Temp. 21-22 (70-72). LONDON: Showers. Temp. 17-19 (63-64). NEW YORK: Partly cloudy. Temp. 20-21 (64-65). PARIS: Partly cloudy. Temp. 20-21 (64-65). TEL AVIV: Partly cloudy. Temp. 20-23 (64-73). TAIWAN: 22-24 (70-72). SEOUL: Fair. Temp. 20-21 (64-66). SINGAPORE: Partly cloudy. Temp. 20-22 (64-72). TAIPEI: 20-22 (64-72). TOKYO: Fair. Temp. 27-28 (77-77).

PEANUTS

THE NEW KGB:
Engine of Soviet Power

By William R. Corson and Robert T. Crowley. 560 pages. \$19.95. William Morrow, 105 Madison Avenue, New York, N.Y. 10016.

Reviewed by David Wisc

VIGNETTE No. 1: On a recent trip to the Soviet Union, I dined with Victor Louis, the most famous reputed agent of the KGB. Louis, who says he is a journalist, is an engaging and articulate man. We dined at dinner in spirited defense of the Soviet system. At the end of the evening, he climbed into a gleaming silver Bentley and drove off into the night.

Vignette No. 2: A few years ago, I dropped off my car (not a Bentley, not gleaming) to be serviced at a garage in my neighborhood. Another customer offered me a ride home. It was only later that I realized my benefactor was Robert T. Crowley, who had been the assistant deputy director for operations of the Central Intelligence Agency. Crowley, now retired, and William R. Corson, another former intelligence man, have written a detailed and revealing book about the KGB. I doubt that Crowley and Victor Louis (whose real name, according to "The New KGB," is Vitali Levin) have met, but if they could, it would make for a fascinating evening. The relative merits of the CIA and the KGB, and the two contrasting systems that breed them, would be discussed with considerable wit and erudition.

Intelligence agents live in a world that is rather different from that in which the rest of us reside, and they tend to think differently.

As only one example of the complexities of this subterranean world, Corson and Crowley recount the strange case of Yuri Loginov, who was arrested in South Africa in 1967 as a Soviet spy and died in prison.

The implication, although the authors do not say so directly, is that Loginov was sent out in order to be caught. The authors cite a report that Loginov supported the story of another defector, Yuri Nosenko, who had turned up in Geneva three years earlier. Nosenko discredited the allegations of a previous KGB defector, Anatoli Golitsyn, who had warned the CIA that it harbored a high-level mole. The argument

over Nosenko's bona fides took so long, however, leading to resignations, creating a crisis within the agency and precipitating the KGB no end. Loginov, the authors suggest, ultimately led to the confusion at the highest levels. In the view of some experts, his "failed" mission was in fact a dramatic success.

Yet the CIA, the reader should keep in mind, has permitted only what it wants to be published about the KGB to appear in the book. As a former CIA officer, Crowley had to submit the book to the agency for clearance. The CIA says he did so. It also says that Corson did not submit the book and was not so obliged.

"The New KGB" is mistitled, since the bulk of this study deals, not with the modern KGB but with the history of the "organs" of Soviet state security. One must plow through pages of detailed examination of the evolution of the Cheka, the OGPU, the NKVD, the MVD and so on, as well as descriptions of ancient shenanigans by various communists arms of the Soviet government, to find the nuggets — but they are there.

For example, Corson and Crowley say Yuri Andropov, the first head of the KGB to become leader of the Soviet Union, and his protege, Viktor Chebrikov, now head of the KGB, met years ago on a dull, bureaucratic assignment. The two were assigned to the spy school at Bykovo, near Moscow, where Soviet agents were allegedly taught to pass for Americans. They were required to memorize betting averages and were taught by a faculty that "understood the importance (for legend purposes) of baseball, radio, hot dogs, and apple pie." Bykovo, according to the authors, even had a roller skating rink.

"The New KGB" spends a great deal of time noting that the Soviet secret police killed 40 million people, that Stalin and Beria were responsible for mass terror, that the KGB is not the Rotary Club. The denunciations of the Soviet system tend to detract from the narrative. Still, the authors cannot conceal their admiration for Hans Gollani, a Soviet agent who showed astonishing ingenuity in convincing the British secret service and tracking down "Soot," a cipher clerk in the British Foreign Office. The case is a tale well told.

Corson and Crowley give a balanced appraisal of Andropov as KGB chief, concluding that he was a man of considerable skills as an administrator. Andropov chose his young officers with care: "The group cannot be seen as resembling political hawks or 'ticket-punchers' of the sort seen in the past. Rather, they are the 'best and the toughest' the Soviet system has been able to produce in nearly seven decades."

David Wisc writes frequently about intelligence. His latest book is "The Children's Game," a novel of espionage. He wrote this review for The Washington Post.

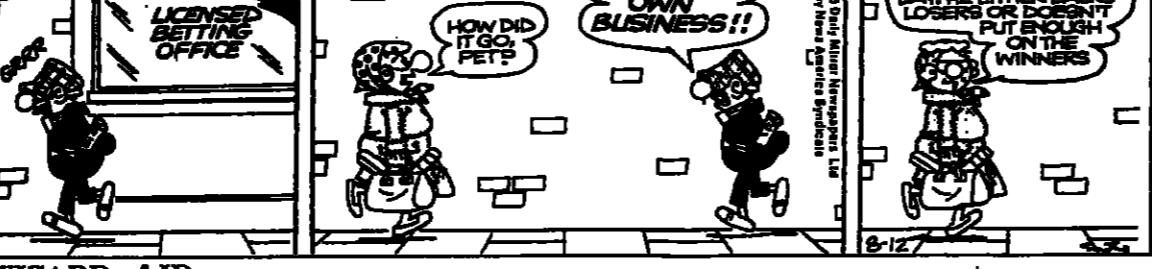
BLONDIE



BEETLE BAILEY



ANDY CAPP



WIZARD OF ID



REX MORGAN



GARFIELD



SPORTS BRIEFS

Gross Lowers 200 Butterfly World Record

SOFIA (AP) — West German swimmer Michael Gross, rewarded with the first sunny day of the European swimming championships, broke his own world record Saturday in the 200-meter butterfly. Gross was timed in 1 minute and 56.65 seconds, eclipsing the 1:57.01 he set June 29 at the national championships in Remscheid. His fifth victory at Sofia made the 26-year-old Olympic champion the most successful European swimmer in history. In all, he has won 10 first-place medals at the European championships.

"The external conditions were finally O.K.," said Gross, referring to the cold rain and wind that had hampered swimmers through much of the outdoor meet since it opened the previous weekend.

While Gross has been the individual star, the East Germans continued to make an impressive team showing.

Kathleen Nord took gold in the women's 200-meter medley, Astrid Strauss won the 800-meter freestyle and the 400-meter medley relay team won its event.

Nord was clocked in 2:16.07 and Strauss' 8:32.45 was the best time for the 800 this year.

Record-setter Michael Gross

By Michael Katz
New York Times Service

LAS VEGAS — The smart guys, the ones who took the 2-1 odds, maybe now they will believe Hector (Macho) Camacho, who obviously knew what he was bragging about.

In a performance as dazzling as his sequined robe designed as his uniform, Camacho, 23, a sturdy veteran, over 12 one-sided rounds here Saturday night to win the World Boxing Council lightweight championship. And the first thing Camacho said at the news conference after winning his second world title was: "I see a lot of people lost money."

There were a lot of disbelievers here among the big bettors, and

they lowered the price on the undefeated Camacho to 8-5, believing the tough champion from Mexico, who was 9-14 with 74 knockouts, would finally shut the big mouth from Harlem. It was not close.

He danced along a tightrope of danger, dodging Ramirez's heavy jabs and landed combinations, "jabbed, landed combinations," (this word) Ramirez measured in a matchup of contrasting left-handers. Camacho was simply too fast and too much of a boxer for the one-dimensional, straight

SPORTS

Green Is PGA Leader by 3

By Sally Jenkins
Washington Post Service

DENVER — Hubert Green shot a one-under-par 70 here Saturday to take a three-stroke lead in the 67th PGA Championship as the Cherry Hills Country Club course took its revenge on much of an unsuspecting field.

Green had trailed leader Lee Trevino, the defending champion, by two strokes after Friday's second round, but on Saturday he offset two bogeys with three birdies for a 54-hole total of 7-under-par 206. Trevino, meanwhile, ballooned to a 75/209.

But Trevino was better able than most to minimize the damage, as virtually everybody on the leader board faltered on a course that had suddenly become unmanageable. Trevino's round left him two strokes ahead of Tom Watson (74), Nick Price (65) and Fred Couples (76).

Those four weren't far back enough to suit Green; being the leader is an unfamiliar sensation for the 38-year-old, who has been suffering through three of the worst years of his career. "I can win, and I probably should win a major championship," said Green. "But better men than me have squandered leads like this. I didn't come here in a turmp truck and I'm not leaving in one."

Cherry Hills, which yielded a tournament-record 31 subpar rounds Thursday and played only slightly tougher Friday, turned nasty Saturday with greens that were kitchen-counter fast and winds gusting to 25 miles an hour (40.2 mph).

The midpoint leaders met with problems all over the 7,089-yard layout. That was partly because of the condition of the greens, which tournament officials decided not to water overnight because of recent humidity. They also ordered them rolled with 30-pound weights, further hardening them.

Green's resurgence, which included a 69 Friday that put him in contention, was an encouraging sign for the 1977 U.S. Open champion, whose only tour victory dur-

ing the past three years was in the 1984 Southern Open. "I died two years ago," he said. "But my game is back."

On Friday, Trevino, 46, shot a 68 for a lead at 134. Couples regaled the day's low round, 65, which put him one stroke behind Trevino. Couples was followed by Green, with a 69/136.

In the third round, Green finessed the course, which requires more skill with the irons than length with the driver. He stayed out of the rough and bounded low-trajectory shots from the fairway onto greens for relatively routine gains. In a threesome with Couples and Trevino, he was the only one to get consistently near the flags.

Green birdied the par-4 fourth hole with an 8-iron to within 10 feet, the par-3 sixth (which Trevino bogeyed in a two-stroke swing), and the par-3 No. 8 with a 2-iron to within 25 feet. His twisting putt on the eighth broke about six feet.

"I'm not that good," Green said. "I didn't try to call that one. I just tried to get it close and not embarrass myself."

Green bogeyed the par-4 ninth with a 6-iron that left him with an unmakeable uphill seven-foot putt. But then he reeled off nine straight pars. He didn't waver again until the 18th, a long par-4. He closed with a bogey when he hit a 2-iron into the rough, left a 9-iron just off the green, chipped to within six feet and puttied poorly.

Green's reemergence is not entirely surprising. At the recent Western Open, he tied for 10th after birdieing the first seven holes of the third round, one short of the record for consecutive subpar holes.

Trevino missed six greens in a four-hole, no-birdie round, including at the first and sixth holes, where his approaches didn't hold. He blamed it on the "unnecessary" framing of the course.

Greenskeeper Armen Suny denied that Cherry Hills, which was criticized after the first two rounds for playing too easily, had been toughened by course and PGA officials. "It's just the wind," Suny said.

Green's resurgence, which included a 69 Friday that put him in contention, was an encouraging sign for the 1977 U.S. Open champion, whose only tour victory dur-

ing the past three years was in the 1984 Southern Open. "I died two years ago," he said. "But my game is back."

Trevino disagreed, saying that one green "was so hard you could land a 747 on it." He was joined in that opinion by Green, who speculated that the PGA was reacting to criticism.

Trevino remarked, "There's no way they could have gotten the greens that firm in one night without doing something to them. I thought I hit some good shots. I guess not. . . . I wouldn't mind a 75 if I struck the ball poorly, but I don't."

"I hit six shots, four of them sand wedges, that landed on the green, took one hop and ended up over the green in the gallery or in a bunker," said Trevino, who had a string of six straight PGA rounds in the 60s broken. He had needed only 26 putts on Thursday and 29 on Friday.

The turning point in Trevino's round came at No. 6, where he three-putted for the first time in the tournament. His 35-footer ran past the hole and he missed from five feet, coming back to drop to six under.

Meanwhile, Green had hit a 7-iron that left him a two-footer for a birdie and the lead.

Couples had bogeys at the 3d, 5th and 10th holes, and three more at Nos. 13 through 15. Watson bogeyed Nos. 5, 7 and 9; a birdie on the 10th was only a brief respite, because he bogeyed the par-4 14th before finishing with a 74. His putting, a problem all year, was the culprit.

"I played a good back nine," he said. "With some decent putting, it could have been a real good score."

Peter Jacobsen had been tied with Watson, three strokes behind Trevino, going into the round. Jacobsen began Saturday with birdies on the first and fifth holes to drop to seven under par. But he bogeyed the par-3 sixth, as did almost everyone else, then began to crash.

Doug Tewell, who led the tournament after the first day with a 64, subsequently went 72-77 for a 213 total.

Hubert Green: Third-round finesse.

Gooden Survives Shaky Start to Win 12th Straight

Compiled by Our Staff From Dispatches

NEW YORK — The implication was: This is about as bad as Dwight Gooden ever gets.

The New York Mets' star right-handed pitcher can his winning

SATURDAY BASEBALL streak to 12 games, best in the National League this year, with an 8-3 triumph Saturday over the Chicago Cubs.

Gooden's winning streak is one game longer than those put together this season by LaMarr Hoyt and Andy Hawkins of San Diego, and it equaled the longest string in the majors this year by Ron Guidry of the New York Yankees.

Gooden (18-3) scattered nine hits and allowed two runs in the first inning, although he did not walk a batter and struck out nine.

"I guess I was a little shocked," said the Met manager, Dave Johnson. "I've just been spoiled. I'm not used to seeing him give up two runs in a whole ball game."

But Gooden later retired 12 straight batters and did not surrender another run until the eighth. He has allowed no more than three earned runs in any game this season, and has not lost since May 25.

"Once they got the two runs, I said, 'OK, stop them here,'" he said. "I just beared down a little harder."

"When I've got the ball in my hand, I'm in charge. I can't be beat. That's the way a pitcher has got to look at it."

That was not quite the way the Cub manager, Jim Foy, looked at it, although he admitted there was no easy way to beat Gooden, 20, who was last year 17-9 as a rookie.

"Against Gooden, you don't figure to bust out," he said. "He's a special guy. You can't figure you're going to get six or seven runs against him. We needed a low-run game today."

The Cubs scored twice in the first on successive hits by Ryne Sandberg, Leon Durham and Keith Moreland. Durham's hit was a double, and Moreland's single drove in both runs.

George Foster hit a two-run home run in the second inning and in the third. Darryl Strawberry's single broke the 2-2 tie before five runs in the seventh assured New York of its sixth straight victory. The Cubs have lost six in a row.

Cardinals 6, Phillies 4: In Philadelphia, Willie McGee raised his league-leading batting average to .351, going 7-for-10 as St. Louis swept a doubleheader and moved into a first-place tie with New York in the Eastern Division. McGee had three hits, scored twice and drove in a run in the opener; his four hits in the nightcap included a three-run homer.

Dodgers 2, Reds 1: In Los Angeles, Fernando Valenzuela held Cincinnati to four singles, three of which never got out of the infield, and teammate Mariano Duncan's leadoff double in the first inning paved the way for two runs. The Reds' player-manager, Pete Rose, who is pursuing Ty Cobb's all-time hit record, did not play.

Giants 6, Braves 5: In San Francisco, Brad Wilcox's one-out single in the ninth scored Bob Brenly to beat Atlanta despite two homers and four runs batted in by Dale

Murphy. Still, the Braves are 39-3 in games they have led going into the ninth.

Yankees 7, Red Sox 3: In the American League, in Boston, Dave Winfield keyed a three-run first inning with a two-run double and relieved Randy St. Claire pitched four shutout innings to help the Expos beat Pittsburgh. Dawson hit his 12th homer of the season in the fifth, sparking a three-run rally against Rick Rhodes and putting Montreal ahead 5-4. He connected in the sixth off Pat Clements for a two-run shot. It was the 16th time in his career that Dawson has hit two home runs in a game. St. Claire was credited with a two-run double and three hits.

Red Sox 8: In Boston, Lee Lacy and Eddie Murray each hit two-run home runs and Floyd Rayford homered with the bases empty during Baltimore's seven-run third inning. Murray now has hit 20 homers for nine straight seasons, breaking the team record he shared with Boog Powell.

Royals 4, Blue Jays 3: In Kansas City, Missouri, Jim Sundberg hit a towering home run off reliever Bill Caudill with one out in the 10th to beat Toronto. Dan Quisenberry worked 3½ innings of two-hit relief.

Angels 9, Twins 1: In Minneapolis, Doug DeCinces hit a three-run

double during a five-run sixth that backed Kirk McCaskill's three-hit pitching for California. McCaskill struck out five and walked three in recording his fourth complete game of the year.

Orioles 9, Rangers 8: In Arlington, Texas, Lee Lacy and Eddie Murray each hit two-run home runs and Floyd Rayford homered with the bases empty during Baltimore's seven-run third inning. Murray now has hit 20 homers for nine straight seasons, breaking the team record he shared with Boog Powell.

Brewers 5, White Sox 2: In Chicago, Randy Ready, just called up from Vancouver, hit a two-run homer in the 11th to beat the White Sox for Milwaukee.

A's 11, Mariners 5: In Seattle, Dave Kingman hit his 400th major-league home run and Donnie Hill got four hits as Oakland won its fifth straight. Kingman's homer moved him past Al Kaline on the all-time list, with Duke Snider next at 407.

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'Andrea's World': A Woman With 28 Personalities

By Sandy Rovner
Washington Post Service

WASHINGTON — She was schizophrenic. No, epileptic. No, just hopelessly crazy. Strap her down, lock her up, give her a lobotomy.

What was really going on inside Andrea Biaggi's head were Sheba and Anton, Joseph and Dara, Philippe, Little Andrea-Elle, Mother Mary, The Angry One, The Monster, Super Andrea, Nothing, Especially Nothing. With 28 different personalities, the real Andrea was only rarely in control.

Sheba and Anton killed cats. Joseph, her mind's incarnation of her father, burned her with caustic chemicals or slashed her with knives. Her mother's voice intoned throughout: "You deserve to be punished. You're bad."

Super Andrea held down a high-level, high-pressure job and performed brilliantly.

Brigette enjoyed casual sex, but then Dara, her mother image, would punish her sinfulness, and Philippe would try to make sure it could never happen again — with pins, with acids, with cigarette burns that often landed her in hospitals.

Andrea herself felt nothing. Because Nothing had taken not only the pain upon himself, but the knowledge of toddler years of unspeakable physical and psychological torture: repeated, unremitting abuse at the hands of her deranged father and of her mother, whose escape was to blame her 4-year-old daughter for her husband's behavior, pinously telling her it was "God's will."

Nothing kept Andrea from feeling — when Philippe used the drain-cleaning crystals, when Dara burned her arms with oven cleaner, and all those other "crazy things."

Until five years ago, when Andrea Biaggi met Dr. Eugene Bliss, it never occurred to her that she might be a "multiple personality." She simply believed, as her family and many therapists had, that her throughout her 31 troubled years, that she was "hopelessly, incurably crazy — bad and evil and crazy."

When Bliss suggested that he not only knew what her problem was, but thought he could cure her, "Why," she says today, "I thought he was the craziest therapist I'd ever seen."

Andrea Biaggi is not her real name. Her parents are dead, but her big Corsican-American family is scattered around the country, six brothers and sisters. They do not know of her sessions with Bliss, nor her part in the book "Prism: Andrea's World," which she wrote with him and his son, Jonathan Bliss.

Nor do Andrea's employers in Salt Lake City, where she holds down a responsible job. For television appearances, she wears a wig and sunglasses.

Her integrated or "fused" personality is full of a bubbling wit and intelligence that no one would associate with the anguished, haunted group of shadowy selves that warred among themselves inside her head.

"Andrea and people like her are unbelievable hypnotic virtuosos," said Bliss, a University of Utah psychiatrist who, after 30 years of relatively traditional practice, has emerged in the last half-decade as a specialist on multiple-personality disorder.



Dr. Eugene Bliss and "Andrea," a victim of multiple-personality disorders.

"People with multiple personalities have been practicing using spontaneous hypnosis frequently since the ages of 4 or 5, and by the time they are adults they've had a hell of a lot of practice. They can cope with all sorts of nasty things without knowing it."

Andrea's case is fairly typical, despite the seemingly bizarre nature of her symptoms and the events that precipitated them.

Dr. Frank W. Putnam, an authority on the disorder and part of the National Institute of Mental Health team at St. Elizabeth's Hospital in Washington, while disagreeing about the importance of self-hypnosis in the ailment, said most multiples were "victims of extremely sadistic, sexually oriented abuse that occurs before the age of 12, usually at about 4, 5 or 6, and continues for a number of years."

Putnam had never seen Andrea, nor was he aware of her book. Nevertheless, characteristics he described as typical of multiple-personality disorder fit the particulars of her case — the childhood abuse and the creation of numbing or protective personalities that later turn against the host personality, producing self-mutilating behavior.

The more virulent the abuse and the longer it lasts, the more personalities are likely to be created, he said. Though therapy with adults can be difficult, children who have "dissociated" can be successfully treated within weeks.

Putnam cited new evidence suggesting that a child witnessing violence may have an even more powerful traumatic experience than one who was the victim of the violence.

Andrea's compulsion to kill cats was found to

have stemmed from an incident she witnessed, one she repressed until late in her therapy.

Her father worked as a maintenance man in a hospital. One day he brought Andrea to work with him. She had found a kitten.

From the book, Little Andrea-Elle, a terrified 5-year-old, remembers:

"It was hard with the kitten to go down. The stairs went to the big room where my father worked. . . . He was angry like wild. He scares me. . . . He grabbed me and the cat. The cat kept running. He kept wanting me to touch him. He kept twisting my hand. Just let me get kitty — please, Daddy — let me go home. He hit me. I wouldn't do what he wanted. I kept saying I wanted the kitty."

"All right, if you want the kitty, I'll give you it. You want this kitty? He was real angry. He pulled the furnace door open and threw the kitty in the furnace."

"Then I ran up to him, and I was screaming and crying and I kept begging, 'Please take the kitty out!'

"He said, 'If you want that kitty, do what I want, and I'll take it.'

"I thought he could do it. I really did. That is when I did what he wanted. . . . He pulled me into a dark corner. I hated it, but I thought I could save the kitty. It was my fault the kitty died."

"He put my clothes on. Now, Daddy, you promised the kitty." He started to laugh. "You dumb kid. Don't you know the kitty is dead?"

"Then he opened the furnace to show it was dead. He said he would put me in the furnace if I

wanted to."

Putnam agreed on one major point: The therapy is exquisitely painful for the subject, and alternately rewarding and exasperating for the therapist. Putnam quoted from a recent book on post-traumatic stress among Vietnam veterans: "Remembering is worse than being there."

told anyone. I didn't feel anything then. I didn't feel my body. I didn't cry. I wasn't afraid, and I didn't care."

Much of the time nothing seemed to be very wrong with Andrea Biaggi. With a few exceptions — when periods of hospitalization could not be hidden, for example — she appeared to lead a more or less normal life.

Super Andrea, who was created to keep her from flunking French in high school, kept achieving at a high level. Even during her therapy, when she was consciously reliving her lifetime of horrors, her coworkers never knew.

Andrea harbored bitterness toward the mental health establishment, which drugged her, used inappropriate therapies and, she said, brought her "within a hair's breadth" of a lobotomy.

"It is so scary to think how those mistakes ruin somebody's life," she said. After repeated misdiagnoses, "I still don't know how or why I kept fighting."

She said tartly, turning to Bliss, "I know, you're going to defend your colleagues."

Bliss sighed. "Look," he said, "I was ignorant for 30 years. If you'd come to me 10 years ago, I wouldn't have known what was wrong."

At St. Elizabeths, Putnam's research has involved, in part, the demonstration of how the different selves in multiple-personality disorder can evidence distinctly different brain waves in response to the same stimulus and manifest different physical characteristics — visual acuity, allergies, even illnesses such as diabetes.

He described an adolescent patient who, when one personality emerged, always developed a rash on her face, chest and arms.

Andrea and the Bliss' wrote "Prism" at least in part to call attention to the widespread existence of multiple-personality disorder and to the need for more meticulous screening of psychiatric patients.

The book was written two years ago, three years into the therapy, but both Andrea and Dr. Bliss knew that even though all the personalities had been fused by then, the work was just beginning.

"It feels almost like an addiction to me," Andrea said. "Whenever I'm in high-stress situations, I always get that sense to pull back, pull out of it."

She and Bliss said they were surprised at the interest the book was generating from the public and from television filmmakers.

Patman recalled a CBS producer who was filming recently at St. Elizabeths. "He said, 'Oh, multiple-personality disorder — the only sex thing psychiatrists are doing these days.'

"If you look at our culture, you will see a deeply embedded fascination with transformation — Je-kyu and Hyde, Superman, Wonder Woman — and behind that lurks something else, the issue of the hidden — werewolves, vampires. . . . It is part of Western civilization."

Bliss, Putnam and most other experts in the field agree on one major point: The therapy is exquisitely painful for the subject, and alternately rewarding and exasperating for the therapist. Putnam quoted from a recent book on post-traumatic stress among Vietnam veterans: "Remembering is worse than being there."

How to Break a Taboo

By William Safire

WASHINGTON — How do you break a linguistic taboo?

We all know some words that are not used in what used to be polite society. Now that polite society has loosened up considerably, formerly proscribed words are bandied about between people without embarrassment: the vestige of the old man applies only to words on radio and television and in your family newspaper.

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Bliss, Putnam and most other experts in the field agree on one major point: The therapy is exquisitely painful for the subject, and alternately rewarding and exasperating for the therapist. Putnam quoted from a recent book on post-traumatic stress among Vietnam veterans: "Remembering is worse than being there."

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on the use of the word in its original meaning.

Along comes an event that breaks, or at least reduces, the taboo. In an emotionally wrenching interview with Terence Smith, a reporter on "The CBS Morning News," Peter W. Hill, an ailing passenger who had been kidnapped and held in Beirut, said bitterly just after his release: "I'm so angry. . . . I was just hoping that the plane we saw on the tarmac in Damascus was a B-52, and on the way over, just go in there and wipe out the whole bunch of bastards, O.K.?" That's an irrational thought, just because of the anger I feel."

"The film clip, including the word *bastard*, led "The CBS Morning News" that night.

The next morning, The New York Times carried a similar quotation on its front page: "There was a definite camaraderie between the original two hijackers and the rest of the bastards."

The taboo was broken when the word was used as a metaphor in the Sino-Japanese War of the mid-1930s, as "the rape of Nanking." The word was used in a sense not primarily sexual, which made it printable, and the frequency of its use removed some of the taboo from the word's sexual meaning. The word *rape* entered polite society, and has recently been used outspokenly by feminists who believe that the *crisis* deserves more attention.

<p

Algeria	6.00 Drs.	Iceland	15,170.00	Norway	7.00 NOK.
Italy	1,000 Lira	Portugal	2,000 Esc.	Spain	1,000 Pesos
Belarus	8,450 Drs.	Sweden	400 Kr.	Croatia	4.50 Kuna
Bulgaria	450 Ls.	Kuwait	500 Dinar	U.S.S.R.	500 Rubles
Canada	C\$ 1.20	Kuwait	500 Dinar	U.S.S.R.	500 Rubles
Cyprus	C. 6.00	Lebanon	C. 1,000	Saudi Arabia	6.00 R.
Denmark	DKR 1.00	Libya	1,000 Dinar	Spain	1.10 Pesos
Egypt	1,100 L.	Malta	1,000 L.	Sweden	1.10 K.
Finland	7.00 F.	Montenegro	45 L.	Turkey	1.20 L.
France	100 F.	Morocco	105 Esc.	Turkey	1.20 L.
Germany	2.50 D.	Morocco	35 D.	Turkey	1.20 L.
Great Britain	50 P.	Morocco	450 Dr.	U.S.A.	.50 Dr.
Greece	10 Dr.	Morocco	2.75 L.	U.S.S.R.	500 Rubles
Iraq	115 Dls.	Nigeria	170 K.	Yugoslavia	300 D.

Pentagon's Victory Opens a New Battle

Chemical Weapons Debate Divides Experts Over Storage and Testing

By Bill Keller

Washington Times Service
WASHINGTON — The expected decision to end a 16-year moratorium and resume military production of chemical weapons is being celebrated by the Pentagon as the end of a long campaign.

A House-Senate conference has authorized \$155 million to begin production of new chemical bomb and artillery shell, billed as a safer replacement for aged stockpiles of nerve gas.

The nerve gas program, part of a bill authorizing \$302.5 billion in military programs for the fiscal year beginning Oct. 1, has been approved by the Senate and awaits a final House vote in September.

But according to a wide range of experts on both sides of the issue, the debate has left unresolved a number of divisive questions about the future of the United States' involvement with these weapons, including where they would be deployed and how they would be tested.

Interviews with Pentagon officials, members of Congress, scientists, and others involved in the chemical weapons debate have raised the following points:

• Although most experts have said that Europe is the most likely scene for a battle with chemical weapons, European allies have balked at even discussing the deployment of the new weapons on their soil. Pentagon officials and critics to look beyond the immediate proposal.

One of the most politically volatile issues was whether to deploy the new weapons in Europe, especially after campaigns to deploy medium-range missiles and neutron weapons there.

The House, arguing that an encounter by superpowers would most likely begin in Europe, voted in June to require that the North Atlantic Treaty Organization formally agree to store the new weapons on its soil before production could begin.

After strong objections from the Pentagon and State Department that this would cause political trouble,

obsolete before it is completed. The critics have faulted the army for not designing long-range, unmanned weapons to deliver chemical agents behind enemy lines without risking the lives of pilots.

Talks aimed at an international treaty banning chemical weapons remain stymied in Geneva, and there was little optimism among Reagan administration officials or outside experts that the impasse could be resolved, because such a treaty would be extremely difficult to enforce.

The Pentagon has promoted its new chemical weapons program in part on the ground that a sign of American determination would induce the Soviet Union to bargain more seriously toward a ban.

But talks aimed at controlling chemical weapons have gone on without success since 1972, and American intelligence officials have said that the Soviet Union is perfecting more advanced nerve gases.

To some observers, that raised the prospect of a continuing chemical arms race.

Richard E. Cavazos, a retired army general who served on President Ronald Reagan's Chemical Warfare Review Commission, which endorsed the new chemical program in June, said he was often exasperated by the reluctance of Pentagon officials and critics to look beyond the immediate proposal.

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(Continued on Page 6, Col. 5)



Three women walked to a makeshift medical clinic in Institute, West Virginia, Monday, the day after a chemical leak at a Union Carbide plant sent scores of residents to hospitals.

Emergency Warning System Failed In Union Carbide Leak at U.S. Plant

The Associated Press

INSTITUTE, West Virginia —

The emergency warning and shutdown system installed at a Union Carbide Corp. plant here failed in Sunday's leak of toxic chemicals, local officials said here Monday.

The system was installed after the leak of a chemical at a Union Carbide plant in Bhopal, India, last year killed more than 2,000 people.

Six plant employees, one seriously injured, and about 130 nearby residents went to hospitals Sunday with lung, eye, nose and throat irritations after the leak of a chemical used to make a pesticide. Thousands of people were asked to stay in their houses for several hours, until the chemical dissipated.

The mayor of Charleston, West Virginia, Mike Roark, accused Union Carbide of not providing adequate information about the leak at its pesticide plant, which

spread a chemical cloud over four communities.

"They did not notify anybody other than making an initial call to the county," Mr. Roark said Monday, "and the information that came from them was sparse to say the least."

Doctors said most of the injured would recover quickly.

Officials said the chemical unit was shut following the leak, but that workers were back at work Monday in other parts of the plant.

Meanwhile, the company planned to respond formally to complaints about its emergency procedures but had not decided on how to do it, a spokesman, Charles Ryan, said.

The chemical cloud spewed from a unit that uses methyl isocyanate, the substance that leaked last December in the Indian city of Bhopal. The substance that leaked here,

alidcarb oxime, is made from methyl isocyanate, but that chemical is consumed in production.

Company officials said a cloud of alidcarb settled on nearby homes after leaking from the plant when a gasket on a storage tank failed.

Many people living near the plant said their homes had already been engulfed in flames when they first heard the plant's emergency siren.

"Carbide's got to do something better than this," said Donna Wilkins, one of nearly 300 residents examined at an emergency clinic.

"We can't let them wait 10, 20 or 30 minutes before they let you know what's going on," she said. "We could have been dead."

The company said it had notified the county Office of Emergency Services of the incident within 30 minutes.

(Continued on Page 2, Col. 5)

524 Are Feared Dead In Japanese 747 Crash After a Door Problem

Compiled by Our Staff From Dispatches

TOKYO — A Japanese Boeing 747 with 524 passengers and crew members aboard crashed and burned in the mountains near here Monday night, in what could be the worst single plane disaster in the history of civilian aviation.

Hours later, there was still no official word about casualties or survivors. Rescue teams were climbing through forests and mountains northwest of Tokyo to search for survivors, if any, from Japan Airlines Flight 123. It was bound for Tokyo to Osaka.

A JAL spokesman said the plane had reported trouble with a door.

A military helicopter pilot who flew over the crash site, far from the airliner's planned flight path, saw nothing but flames.

"We could see the flames for five minutes before reaching it," Izumi Omori said after he landed. "I saw flames at more than 10 places."

"I could not see the wreckage," he added. "But the flames did not look like woods burning."

Pilots of two other planes reported seeing an aircraft burning in air before the crash, The Associated Press reported.

Geoffrey Tudor, a spokesman for Japan Air Lines, said the passenger list included 21 non-Japanese names. "There are some Western names," he added.

The worst one-plane crash ever recorded until now was of a Turkish Airlines DC-10 near Paris in 1974, in which 346 people died. A cargo door opened, causing explosive depressurization, and the floor collapsed, severing control lines.

The worst accident reported in commercial aviation history was at Tenerife in the Canary Islands in March 1977, when 582 people died in a runway collision in fog of two Boeing 747s, one operated by Pan American World Airways and the other by KLM.

The Boeing 747 appeared to be off course between Tokyo and Osaka when the trouble started.

The JAL plane was operating from Tokyo's Haneda Airport to Osaka during one of Japan's busi-

est holiday travel seasons, when city dwellers traditionally return to visit home villages.

The 509 passengers included 12 infants, the JAL spokesman said. The plane had 15 crew members.

Officials at the U.S. Air Base at Yokota, 21 miles (34 kilometers) west of Tokyo, said the pilot had requested and received permission to make an emergency landing.

However, the plane disappeared from radar screens when it was near Saku, a city in the Nagano

district. The time of the crash was calculated at 6:54 P.M.

The Japan Broadcasting Corp. said there was a thunderstorm in the area about the time the plane went down.

The site of the crash is in an uninhabited area that is accessible to land vehicles, the police said.

Relatives gathered at the airport in Osaka to await word.

Kyodo News Service quoted witnesses as saying they saw the "red and black" Boeing 747 make a long turn and then saw "red and black" smoke.

The Japanese Broadcasting Corp. said some people in the Nagano area had telephoned the network to report they had heard a loud crash and had then seen a "mushroom cloud."

The Boeing 747 appeared to be off course between Tokyo and Osaka when the trouble started.

The JAL spokesman, Mr. Tudor,

(Continued on Page 2, Col. 5)

■ The Worst Crashes

Following is a list of the worst civilian aviation disasters, as reported by The Associated Press:

1. March 1977: 582 were killed in a collision of two Boeing 747s operated by Pan American and KLM on the runway at Tenerife, the Canary Islands.

2. March 1974: 346 died in the worst single-plane accident to that time when a Turkish DC-10 had a cargo door problem and crashed near Paris.

3. June 23, 1985: 329 were killed when an Air-India Boeing 747 fell into the Atlantic off Ireland. An explosion is suspected as the cause.

4. Aug. 19, 1980: 301 died in a Saudi Air Lines 747 making an emergency landing at Riyadh in Saudi Arabia.

5. May 25, 1979: 273 were killed at Chicago when an engine fell off an American Airlines DC-10 during takeoff and it crashed.

6. Sept. 1, 1983: 269 died when a Korean Air Lines 747 was shot down by a Soviet jet while in Soviet airspace near Sakhalin Island.

INSIDE



A poster in the Soviet Union's Sobriety drive vowing a "battle with hoodlums and drunks." Page 2.

■ Conditions in Watts are little changed 20 years after the riot that shocked the world. Page 3.

BUSINESS/FINANCE

■ Japan's largest shipping company may have to seek court protection, industry sources said. Page 9.

SPORTS

■ Hubert Green won the PGA championship. Page 17.

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The Parents of 'Martyrs'

Soweto Families Fear for Children

By Glenn Frankel

Washington Post Service

JOHANNESBURG — Wilfred Ratlaf's 15-year-old son, John, came home from school recently with a police bullet in his leg.

As his father told it, John was on his way home in Soweto when he was caught in fighting between police and local youths. The youths had rocks, and the police automatic rifles and shotguns. When the dust cleared, John's right leg was bleeding from a shotgun wound, and he dragged himself home.

Mr. Ratlaf did not take his son to the local hospital, where "I knew he could be arrested," but to a local physician.

"It makes me very angry, but what can I do?" said Mr. Ratlaf, an insurance broker in South Africa's largest black urban community. "The police can shoot anyone they like. No one can stop them."

These are times of pain for many parents of South Africa's black townships as they watch their children standing on the frontline of the low-level war against the state.

Some become the parents of martyrs. They can be seen at political funerals huddled on simple grass rugs, staring at their children's coffins while speeches are made. Others search for children who have been detained by police for their alleged role in the unrest or who have gone into hiding a step ahead of the law.

The Detainees' Parents Support Committee, an opposition civil rights group, said it believed that more than half the 1,500 people detained since South Africa's state of emergency took effect July 21 were age 18 or under. An average of 20 parents a day go to the committee's overcrowded office in central Johannesburg seeking advice and assistance in locating their children.

The families are often torn by conflicting emotions: agonizing fear for their children; anger, often first directed at the children, then at the police and, ultimately, the white-minority government. With some, there is a small dose of pride.

As the unrest in black townships continues, its recruits grow younger. Beauty Guduka's 11-year-old son, Fanie, left July 11 to play with friends in the craggy, rock-strewn streets of Alexandra, a black township north of Johannesburg.

His mother was visited that evening by a white police officer and a half-dozen black police officers who told her the boy had been arrested for throwing rocks at police. She witnessed her son make a written confession. Four weeks later, he was still being held without bail at John Vorster Square, Johannesburg.

(Continued on Page 2, Col. 6)

Black Boycott Expands in

Soviet Anti-Booze Drive: For Now, an Uneasy Sobriety Prevails

By Seth Mydans
New York Times Service

MOSCOW — As the Trans-Siberian railroad set off recently on its Beijing-to-Moscow run, it was filled with the tipsy revelry that is traditional in much of Russian life. But as it approached the Soviet border, a passenger recalled, the bottles were put away and passengers settled down to a long, dry ride across the steppe.

In cities and towns across the Soviet Union, a two-month-old liquor law has taken hold and is transforming much of the way Russians live their daily lives.

The traditional mugs of beer have disappeared from many of the steamy bathhouses where people beat each other with birch branches. Some waiters have walked off the job in restaurants where reduced liquor sales have cut down on tips.

Sales of eau de cologne are reported to have increased as alcoholics, desperate for a drink, feel the effects of shortened store hours.

Long lines now form outside liquor stores before they open at the new, later hour of 2 P.M., and again before their early closing at 7 P.M., as people rush to buy a bottle on their way home from work. Restau-

rants are often nearly empty before 2 P.M., the hour when liquor serving may begin.

The new law, which took effect June 1, is a major event in a nation where for decades, if not for centuries, drink has been an intimate part of social ritual and the primary form of recreation and escape.

In recent years it has developed into a problem that paralyzes the economy and symbolizes an absence of motivation or energy that has overtaken much of Soviet life.

The new regulations attack the problem on various fronts, by raising the drinking age to 21 from 18, by closing liquor stores for all but five hours a day, by tightening restrictions on illegal home brew, and by increasing penalties for being drunk in public or on the job.

Newspapers report a drop in liquor sales of as much as 30 percent, and the police say they are arresting thousands of violators.

Vodka production is to be cut next year, and the production of some fortified wines is to stop entirely in 1988. The output of soft drinks and mineral water is to rise.

The law is the first concrete step that the new Soviet leader, Mikhail S. Gorbachev, has taken to change Russians' lives. It has been taken as

a signal of his seriousness in getting the Soviet Union back on the move.

Though this nation is far less prone to fads than the United States, fads carry considerable weight when they come straight from the top, and sobriety is suddenly in the thing.

The reaction to the new law has reached the point where formal toasts, obligatory at any social occasion, are raised without lifting even a glass of water to the lips. Officials who used to press members of vodka on their guests now decline even a glass of wine at dinner.

Some Russians, though, are saying that if the new restrictions are to be more than a passing fad, Mr. Gorbachev must still address the deeper causes of alcohol abuse, which they say include boredom, the many small hardships of daily existence, and a certain emptiness in life.

In the first month after the law took effect, according to Internal Affairs Minister Vitali V. Fedoruk, the police recorded 15,000 violations, mostly among merchants who were not observing new restrictions on the places and hours of sale.

A two-day crackdown at the end

of last month in Moscow caught 273 people selling bottles illegally from cars or out of shopping bags on street corners.

In the southern Russian district of Belgorod alone, according to the Communist Party newspaper Pravda, the police destroyed more than 500 illegal stills and put the names of nearly 2,500 home brewers on a blacklist.

Introduction of the law has been accompanied by a propaganda campaign of a magnitude possible only in a press that is orchestrated from above.

The propaganda is working and there is a new attitude toward drinks," said an office worker, adding: "Now people look at drunks on the street in a new way, with disgust on their faces."

But the laws are affecting more than drunks, and ordinary folk who want a bottle of champagne for a birthday party are complaining that shortened hours for liquor stores and the long lines that have resulted, are making their lives difficult.

"Tough measures are O.K. in general," said one man, "but when those measures affect you personally, it's not so O.K."

A Soviet journalist, offering an

American visitor a soft drink, said: "Isn't it a pity that when the pendulum swings it has to swing so far."

The newspaper *Sotsialisticheskaya Industriya* reported on an anti-alcoholism seminar among railroad workers where vodka was served, and which ended as a drunken party.

In taking his first concrete step in the area of alcohol abuse, Mr. Gorbachev selected a highly symbolic area of concern, and an area that signaled an intention to make difficult decisions, to break with past tradition, and to wrench a sluggish economy out of its stupor.

Charges of alcohol abuse appear to be finding a political use, as some regional Communist Party organizations are expelling some of their less productive officials for drunkenness.

Drunkenness is rumored to have contributed to the fall last month from the Kremlin's elite of Grigori V. Romanov, an erstwhile Politburo rival of Mr. Gorbachev's.

An indication of the scope of drinking throughout the country was given in a recent newspaper article about a village near the Belarusian city of Minsk. Each month, it said, the village's 7,000

adults turn in 150,000 bottles for the bottle-return payment.

The statistic worked out to an average consumption of more than 20 bottles of liquor a person each month.

A young Russian voiced the widespread view that drinking filled a void in life that went deeper than social ritual. For the new laws to be successful, he said, something more substantial than mineral water will have to be produced to replace vodka.

"What will people be given in place of vodka?" the young man said. "What will they be given to do with their time?"

He mentioned a shortage of sports centers, the blandness of television and films, the difficulty of buying good books, and, above all, the barrenness of life, especially outside big cities, where simply slogging through the chores of the day consumes so much energy.

He referred to a com man in a story by O. Henry who said that whenever he took something from home he always tried to give back something in exchange — a fake diamond, some snake oil, or at least a punch in the nose.

"Maybe we'll get the last of these," he said.

WORLD BRIEFS

Pakistanis Riot After Family of 9 Slain

RAWALPINDI, Pakistan (AP) — Hundreds of police dispersed demonstrators Monday after thousands of rioters protested the unexplained killing of nine members of one family.

More than 10,000 people marched Sunday through various parts of Rawalpindi, which adjoins the capital of Islamabad. Vehicles and shops were burned in several stuns. Residents demanded to know why the nine people were killed and charged that police were unable to protect the public.

The riots began after news spread that nine members of a family, including five children, had been killed by a group of men who broke into their home. The victims were stabbed and beaten with clubs and bricks, the police said.

Firebombs Found in U.S. Troop Cars

FRANKFURT (Reuters) — Two incendiary devices were found Monday by cleaners on U.S. Army railroad cars, four days after a car bomb attack on the U.S. Rhein-Main Air Base killed two Americans.

The devices consisted of blankets drenched in inflammable liquid and an ignition mechanism which failed to go off, a police spokesman said. Police officials investigating Thursday's car bombing joined in the investigation into the incendiary devices. The railroad cars, which are used to transport U.S. troops, were parked in sidings at a Frankfurt cargo station overnight. It was found Monday that two had been broken into.

Greenpeace Says Suspects in Africa



David McTaggart

PARIS (AP) — Three men sought in connection with the July 10 bombing of the Greenpeace ship Rainbow Warrior in New Zealand flew last week to an unnamed African country, the head of Greenpeace said Monday.

"That is my information," said David McTaggart, the chairman of Greenpeace, in Paris. "They flew to Africa on Wednesday."

Mr. McTaggart said he would meet later this week with President Francois Mitterrand of France, who has ordered an inquiry to learn whether the French secret service was involved in the attack. A Greenpeace photographer was killed in the bombing.

Polish Court Upholds 2 Convictions

WARSAW (AP) — A Polish appeals court Monday upheld the convictions of two Roman Catholic priests charged with leading a student protest against removal of crucifixes from their classrooms, but it revised a one-year prison sentence against one of them, the official PAP news agency, PAP, reported.

The provincial court in Kielce suspended the one-year prison term and placed the Reverend Marek Labuda on three years' probation, the agency said. It fined the priest 100,000 zlotys (\$3650). The court upheld a 10-month suspended sentence against the second priest, Andrzej Wilczynski, who was ordered to pay a 60,000-zloty fine.

The two priests led a protest Dec. 3-16 involving about 300 students and 100 parents. They occupied a school building in the southern town of Wloszczowa to protest the removal of crucifixes from classroom walls. The two priests were convicted by a lower court June 11 for leading an illegal strike and breaking into a school building.

Sri Lanka Rejects Tamils' Demands

NEW DELHI (Reuters) — A Sri Lankan government delegation Monday rejected demands by Tamil leaders at peace talks in Bhutan on the island's ethnic dispute, a Tamil spokesman said.

"We are now preparing an answer to Sri Lanka's total rejection of our demand to accept four principles on which negotiations should be based," a spokesman for the Eelam National Liberation Front said by telephone from Madras. The talks were to resume Tuesday.

The principles are recognition of Sri Lanka's minority Tamils as a separate nationality, of their traditional homelands in northern and eastern areas, of their right to self-determination and of their right to citizenship, said the spokesman for the front, an alliance of four guerrilla groups. At least 31 people were killed in ethnic clashes over the weekend in the north and east of the island, security sources in Colombo said.

U.S. Aide to Visit Mideast on Peace

WASHINGTON (UPI) — U.S. Assistant Secretary of State Richard W. Murphy will leave shortly for the Middle East to consult on reviving moves toward peace in the region, the State Department announced Monday.

But the department said no final decision had been reached on whether he would meet with a joint Jordanian-Palestinian delegation. U.S. contact with such a delegation has been under consideration as a way to get the stalled peace process back on track. The announcement said Mr. Murphy was being sent by President Ronald Reagan and Secretary of State George P. Shultz but gave no itinerary.

King Hussein of Jordan in February first proposed the idea of a top-level U.S. meeting with a joint Palestinian-Jordanian delegation. The administration has been receptive, but there have been difficulties on agreeing to a list of members for the delegation that would fall within the U.S. policy of not dealing with the Palestine Liberation Organization until it recognizes Israel's right to exist.

For the Record

A 27-year-old Algerian, Rashid Hamdi, who was injured in Copenhagen on July 22 when a bomb exploded at the offices of a U.S. airline, Northwest Orient, died Sunday in a hospital, Copenhagen police said Monday.

Three leading Czechoslovak dissidents arrested over the weekend, Vaclav Havel, Ladislav Lis and Jiri Dienstbier, were released Sunday, emigre sources in Vienna said Monday.

Mozambican rebels reportedly massacred at least 33 villagers attending a funeral in the northwestern province of Tete last week, the press agency AIM reported.

U.S. Protest Held

Leaders of a coalition opposing the apartheid policies of South Africa called on President Ronald Reagan on Monday to end all economic and diplomatic relations with Pretoria, The Associated Press reported from Jerusalem.

Mr. Peres also endorsed the non-violent approach urged by Chief Gatsba Buthelezi, leader of six million Zulus. The chief had asked Israel to "use its diplomatic clout to influence South Africa to move the people towards a negotiated future."

About 30 residents were admitted to hospitals with "mild to moderate injuries caused by irritant gases," said David Seidler, vice chief of emergency services for Charleston Area Medical Center.

■ U.S. Protest Held

Leaders of a coalition opposing the apartheid policies of South Africa called on President Ronald Reagan on Monday to end all economic and diplomatic relations with Pretoria, The Associated Press reported from Jerusalem.

The Free South Africa Movement, beginning a day of mourning and demonstrations, also urged American corporations to halt all business dealings with South Africa.

■ Correction

Because of an editing error, two figures in Monday's Personal Investing article on stockbroker fees were reversed. E.F. Hutton charges \$92 for trading 100 shares of a \$50 stock. Merrill Lynch quoted a fee of \$103.53.

South African Group Aids Anxious Parents

(Continued from Page 1)

sharp kick at his door. Four white security policemen had come to take Isaac to jail.

The tough police tactics may be backfiring with parents, some of whom appear to be growing more politicized as the risks to their children increase.

"Do you think you can cooperate with the government after your kid is shot?" said Mr. Ratai, who came to the committee's office seeking advice. "It's just impossible."

The Detainees' Parents Support Committee, formed four years ago

to aid parents and friends of those in detention, has about 150 members, including a hard core of about 30 activists.

It too has come under scrutiny from police officials, who contend it is a front organization for radicals whose purpose is to harass prison officials and smear the state with false accusations of torture and mistreatment. One staff worker was among the first group detained under the emergency decree.

The committee helps parents find a lawyer, trace detainees and arrange for prisoners to receive food, clothing and money.

It cannot be of much use to those whose children have chosen to hide. Mabel Kabi said she has not seen her son, Peter, 21, a leading student activist in the East Rand township of Daveyton, for nearly three months. He fears that police are watching her.

"I don't know where he is staying or what he is eating," she said.

"I am not angry at him, I am worried. I don't know where he has ended up. Maybe he will be dead."

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Watts After 20 Years: Conditions That Underlay Riot Remain

By Judith Cummings
New York Times Service

LOS ANGELES — An entire generation has grown to adulthood in Watts since rioting there shocked the world two decades ago. Despite efforts to improve conditions, residents still live with high unemployment, gang violence, crowded schools and difficult relations with the police.

"Conditions are as bad or worse in South Central Los Angeles today" as they were at the time of the Watts riots, according to a recent joint city-county report.

Watts, a mostly black section of southern Los Angeles, was struck by burning and looting that began Aug. 11, 1965, and went on for six days, leaving 34 people dead, 1,032 injured, 3,952 under arrest, and \$40 million of property destroyed.

The events were considered an explosion of anger and frustration over joblessness, poor schools and services, physical and social isolation from the city as a whole, and police brutality. It was the worst urban riot in 20 years, foreshadowing similar rebellions to occur a few years later in Detroit, in Newark, New Jersey, and in other American cities.

Today Watts, a community of 52,000, has a new hospital, a civic center, and better bus service. A shopping center, named for the Reverend Martin Luther King Jr., opened last winter and includes the first full-service supermarket in the neighborhood since the riot. But those improvements fail to mask the universe of deprivation that is Watts in the 1980s.

The official adult unemployment rate in Watts climbed to 19.7 percent of the work force in 1980 from 11.8 percent in 1960. The city-county report, a study by each government's human relations commission of conditions 20 years after

The Associated Press

LOS ANGELES — Twenty years after an arrest that sparked the Watts riots, Marquette Frye surveyed the neighborhood and said: "So much has changed. Yet nothing's changed."

"The trees were bigger then," Mr. Frye said last week as he stood on the spot where he was stopped Aug. 11, 1965, on suspicion of drunken driving. "Police cut them back so we couldn't climb up and throw bottles from there."

But 20 years have failed to change the corner of 116th Street and Avalon Boulevard, the center of the riots.

Mr. Frye did not have a job then, and he does not have a job now. Then 21, he was in his mother's 1955 Buick on his way to a church

parking lot to meet some friends when he was stopped by California Highway Patrol officers. It was the last day of his two-year probation for gang activity and strong-arm robbery.

"It was hot, man, real hot," Mr. Frye said.

Two officers put Mr. Frye through a sobriety test as his friends looked on and others started to gather. Mr. Frye's mother, Rena Frye, and his stepbrother, Ronald Frye, arrived before Mr. Frye allegedly took a swing at one of the officers.

More officers were called and after a fracas, all three Fryes were arrested and taken to the police station. It was just before 7:30 P.M.

"I got angry when I saw them treat my mother wrong," Mr. Frye said. "Yeah, sure, I swing at crazy without reason. A revolt means overthrow and change."

them. I was mad. I didn't swing first like they say."

Accounts circulated that officers mistreated the Fryes. Police denied those reports.

The Fryes were released from jail less than a day later and only then, bearing their names on a radio report, learned of the riot.

Then Mr. Frye saw the ashes where the Japanese restaurant, the corner barber shop and the liquor store had once stood near his home.

"I just cried," he said.

"People around here, they don't say it was a riot," Mr. Frye said. "They call it the Watts revolt. A riot is just a bunch of crazy folk going crazy without reason. A revolt means overthrow and change."

"Some of these guys, they probably say, why should I work?" he said. "If they sell dope instead, they can make a lot of money fast. But fast money only lasts for so long."

In 1965, reports of police brutality increased tensions. Since then, black officers have increased to 10 percent from 4 percent of the police force, and Hispanic officers to 14 percent from under 4 percent. Officers from both groups have risen through the ranks, a fact that is pointed out with pride by Mayor Tom Bradley, himself black and a former police officer.

But the deeper police-community problems have not been resolved, according to many in the community. The neighborhood's relations with the police "seemed to have slipped to an all-time low," according to the city-county report.

Dr. Poussaint believes that black people in Watts 20 years ago were in a "self-hated mode," that in younger black people, has since been largely lifted by the black pride movement.

He said, however, that this means that a repetition through the generations of such factors as welfare dependency and the phenomenon of teen-age pregnancies could throw them into "a cultural mode that may lock them in further."

Mr. Randolph said he did not remember the rioting, which occurred when he was 8. He said he knows, however, that he is doing no better than his parents did then, because of what he termed "the cost of living going up like crazy."

He has worked as a warehouse laborer and as a janitor for day-care centers, but he said he has not had any work for six or seven years.

"I've been on hold for a long time now," Mr. Randolph said.

"I'll be 29 next month, and my good thing ain't come around right now."

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Britain's Left Looks Ahead

The British Labor Party, together with the unions, has announced its economic platform even though the general election is thought to be some two years off. This is not too soon, given Prime Minister Margaret Thatcher's propensity to follow her triumphs in the South Atlantic and the coal pits with an accumulation of minor errors.

The platform is miles from the promises the miners fought for so bitterly — the defense of existing jobs, however inefficiently performed, by milking the taxpayer. For the left it is a middle-of-the-road message. It displays the traditional faith in economic planning, espousing a periodic national assessment in which government, organized labor and employers (but perhaps not the unorganized consumers) would argue things through to consensus. The problem is that attempts to reach rational and acceptable decisions through such a process have had little success since ancient Greece — whose economy was underpinned not by the consumer but by a slave class.

The manifesto is *insular*. It prescribes new import curbs, plus exchange control and tax discrimination to discourage capital outflow. It ignores the certainty of trade retribution by other countries and the beneficial effects of the profits and interest that capital export can earn from abroad. Britain's left has still not thrown off the myopia that set in when the original charms of international socialism faded some 70 years ago.

The manifesto is confusing on privatization, fudging the scope of Labor's intentions for renationalization of the industries that Mrs. Thatcher is busy selling off. Since this particular cycle is about the worst thing that can happen to the major sectors in question,

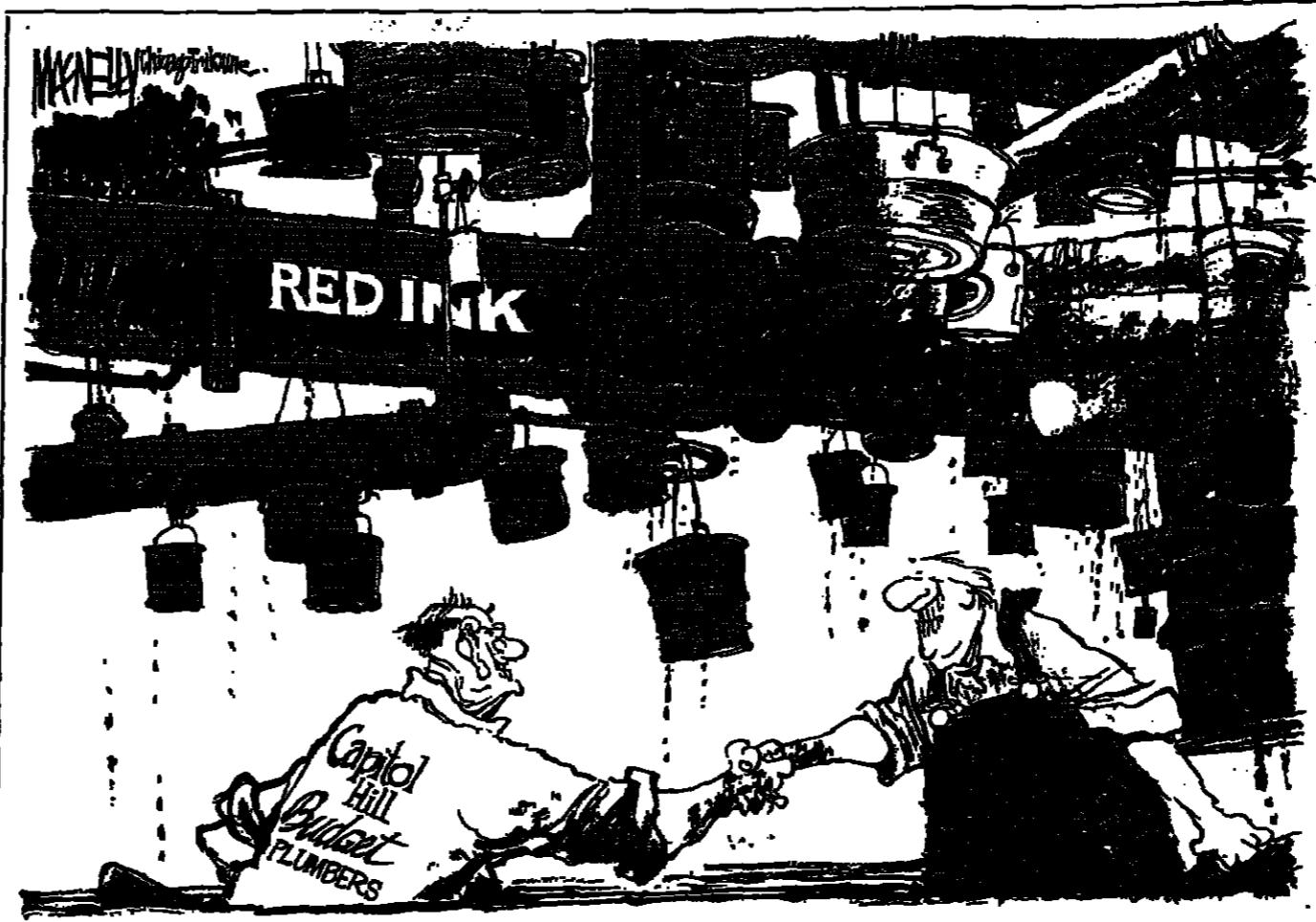
the Labor platform will not help confidence — a scarce resource in Britain today.

Understandably, the platform's primary target is to reduce unemployment, which stands at around 3.5 million, or some 12 percent of the work force. The plan is to step up public investment and repairs — on sewers and schools, roads and hospitals. Britain needs this to arrest its present dilapidation, and Labor argues that this sort of job creation has the edge over tax reduction because it sticks in fewer imports. But to plan to create a million jobs in two years — twice the recent rate — is probably unduly risky, given the tendency for inflation to accelerate as economic growth picks up. Like most countries, Britain has not yet solved the problem of combining high growth and employment with acceptable price stability.

It is in an attempt to square this circle that the manifesto comes back to the concept of consensus: Government, unions and business agree, at top level, how the national cake should be shared between wage and profit increases, and their wise decisions are faithfully translated into individual bargains struck on the shop floor. This is historically unconvincing in Britain, where cooperation between Labor governments and the unions has been checked at best. The past two decades are littered with solemn and binding agreements that bound no one for long.

Electoralists must be wary when politicians make promises: They might try to deliver on them. The best service the Labor manifesto can do is to tempt the rising Liberal-Social Democratic alliance out of its present vagueness and force the divided Conservatives to produce something constructive.

INTERNATIONAL HERALD TRIBUNE



America's Enduring Success Is a Successful Japan

By Anthony Lewis

OKYO — When Japan surrendered, Douglas MacArthur undertook not just to occupy but to remake the country. If the general had been asked what his most extravagant hope was, I think he might have said: to channel the drive of this aggressive people away from militarism and into economic ambition.

That hope has been realized to an extraordinary degree. It is one of the great achievements of any foreign policy in modern times. But now the country that had the vision and carried it out, America, is in a state of alarm about the successful outcome.

Ye, the Japanese are rough economic competitors. And yes, they have used some unfair tactics in protecting their home market.

But can anyone doubt the main reason for their success? They have made brilliantly designed, reliable, economical products. That is why Americans bought Japanese cars.

The visitor here quickly feels the commitment to work, the satisfaction of the most modest shop assistant in doing the job right. Even in an alien language and culture, Tokyo's international airport is easier to manage than Kennedy Airport in New York, with its confusion and squalor.

Their fear of Japanese competition should think about correcting their own mistakes. Americans waste billions in corporate raids that pre-

vent long-term business planning, for example, while Japanese firms build up loyalty and plan years ahead.

Robert Rowen of The Washington Post, writing about the White article, noted that the United States last year had a \$20-billion trade deficit with Canada — but no one called that a threat. "Could it be," he asked, "because Canada is white while Japan is yellow?" It could.

Would Americans like the result of the kind of crude protectionist measures against Japan that are now the talk of U.S. politicians? Economic friction might start to undo General MacArthur's great achievement.

The militarist spirit still lingers here and some think it is growing. Even in Hiroshima sound trucks prowl the streets with right-wing military messages — a reminder of the alternative to the economic miracle that has rebuilt the flattened city. Would the countries of Southeast Asia be happier with an economically frustrated Japan? Would China be?

One reason why America lags behind Japan economically is deeply

iconic. It forced Japan to renounce militarism, but it has become a profoundly militarized society itself.

The United States faced a threat from the Soviet Union. But instead of dealing with it rationally, it has again and again exaggerated the threat, seeing "missile gaps" when none existed.

Now the compulsion to build more and more weapons is fed by the laboratories, the manufacturers, the politicians, the local citizens who fear there is no other source of jobs.

"It is no longer a question of controlling a military-industrial complex," Jerome Wiesner, a scientific adviser to presidents, wrote in the current Bulletin of the Atomic Scientists. It is a question, "rather, of keeping the United States from becoming a totally military culture."

By all means press Japan to compete fairly. But begin by understanding that the United States cannot compete effectively while it wastes billions on "star wars" and needless weapons, mortgaging its economic future with immense deficits.

The fault, dear Brutus, is not in our stars but in ourselves.

The New York Times

The Recipe For a New Depression

By Jack Kemp

The writer is a Republican representative from New York.

WASHINGTON — Representatives Dan Rostenkowski and Richard Gephardt and Senator Lloyd Bentsen say that their proposal for a 25-percent import surcharge is a shot across the bow of America's trading partners. Like every shot across someone's bow, this one would miss its target. But it would score a direct hit on American businesses, workers and families. The Rostenkowski-Gephardt-Bentsen bill is no different in principle from the Smoot-Hawley tariff, which helped precipitate the Great Depression.

Even some of the circumstances are uncomfortably similar: a growing debt burden in the developing nations; a progressive decline in American agriculture because of the rise of the dollar against other currencies in real terms; failure to establish a stable international monetary system.

In 1929-30, instead of correcting those problems, Congress enacted and President Hoover signed the Smoot-Hawley tariff, which increased duties across the board. It was the last straw for world trade. The debtor nations could not repay their debts if they could not export to the United States. They sought to ease the pressure by devaluing their currencies and imposing retaliatory tariffs. The dollar rose even further. The world economy imploded.

The Democratic sponsors of the new protectionist bill seem to want to repeat the same mistake.

The main provision is a 25-percent tariff on any country whose exports to America are 50-percent higher than imports from it and whose world exports exceed world imports by 65 percent. (Why the difference? There is almost a \$100-billion statistical discrepancy between total world exports and world imports, even though the two are obviously identical; yet these statistics are supposed to decide whether or not we trigger an all-out trade war.) It turns out that this selectively targets Japan, South Korea, Taiwan and Brazil.

It is easy to see who this bill would not help: American farmers. Japan, South Korea and Taiwan all make a living by importing raw materials and food and exporting manufactured goods. Japan, for example, is America's single biggest agricultural customer. And to the degree that American farmers compete with Brazilian farmers, it is mostly abroad, not in U.S. markets. The 25-percent tariff would raise the prices paid by American farmers for equipment, although the world prices they received would be no higher. And U.S. farmers would be the first victims of any retaliation by other countries.

Would the bill at least reduce America's competitive disadvantage in manufacturing? No. Since the tariff is selective, the main result would be to shift Japanese goods to Europe and European goods to the United

A Nation of Confidence, for a While

By James R. Dickenson

WASHINGTON — The bomb that burst over Hiroshima and opened the atomic age was not the only explosion triggered by World War II that was to make a profound impact on our lives. The other was the enormous postwar surge of energy unleashed in America, as in the rest of the world.

The United States underwent revolutionary change, as it had after the Civil War 80 years earlier. In both cases revolution came from the marriage of pent-up energy and technologies with public policy.

There were enormous differences. World War II was a unifying experience, and the national morale and sense of power were never greater. The Civil War was destructive and divisive, and even in the victorious North many were not sure that they had not lost more than they had won. Nevertheless, the two wars had similar impacts.

After the Civil War the western half of the American continent was settled, and the nation was industrialized and urbanized in relatively short order. Government policy in the form of subsidies to the railroads, encouragement of settlers through the homestead and land grant acts plus a benign attitude toward late 19th century industrial statesmen and robber barons alike was a major factor in this.

Public policy played a similar role after World War II. For starters, it augmented the awesome energies of the nearly 13 million veterans from World War II.

That revolution in education was a major factor in a great surge of

national affluence, and not just in making up what they saw as lost time.

The GI Bill of Rights transformed America from a nation of renters to one of home owners. More important, however, were the educational benefits — the \$75 per month plus tuition, books and lab fees that encouraged more than 8 million of those World War II veterans to continue their education to more mundane pursuits.

Postwar affluence and technology, particularly the automobile and television, reshaped society, which was and is organized around the automobile. This led to greater mobility and personal freedom as millions escaped the daily scrutiny of family, church, small towns and ethnic neighborhoods.

There is a down side to this of course — loss of community and intimacy, weakening of family ties. Affluence and isolation brought problems of their own. Still, no one would even dream of turning the clock back on the nation's post-World War II accomplishments.

Looking back points up the dramatic contrast between World War II and the Vietnam War. With Vietnam, the accounting has been primarily of pain, division, loss and regret. But victory in the great two-front effort of World War II was an enormous feat that united Americans and focused energies.

Most Americans were confident 40 years ago that there was nothing they could not do. Twenty-five years were to pass before that assurance was significantly tarnished.

The Washington Post

The Setting In Manila Is Familiar

By Robert K. McCabe

MANILA — The setting is perhaps familiar. Here is a totalitarian, wealthy Southeast Asian oligarchy, supported by an army that is increasingly mistrusted by the people if it is assigned to protect and feed a not quite coping with blossoming Communist insurgency.

The economy, based largely on raw materials, is floundering. The political opposition is fragmented and leaderless. The National Assembly is ineffectual. And the U.S. military presence is significant.

This is Manila in summer 1985.

It is also Saigon in summer 1968.

During that summer 22 years ago, Westerners in Saigon — diplomats, journalists and businessmen — were trying to decide whether the South Vietnamese government had the will and the ability to deal with its political, military and economic problems.

In Manila these days, the same process of analysis is going on, and similar questions are being asked. No one is coming up with clear answers.

But if one thing is certain in this very uncertain capital, it is that Vietnam-scale U.S. military intervention is about as likely as snow.

This despite the view of senior Western diplomatic observers that the Communist insurgency led by the New People's Army continues to grow steadily stronger.

Military activity, once largely concentrated in the rich southern island of Mindanao, has spread north to Samar and Negros to Luzon itself.

This development is serious enough. "But this military activity," a senior Western diplomat said, "is only the tip of the iceberg. What's more important is the growth of the NPA's infrastructure."

The growth has been at least as dynamic as the spread of military clashes. And even in some areas where fighting is rare, the NPA is known to be constructing its system of parallel government.

Questions about the capabilities of the government of President Ferdinand Marcos bring cautious answers.

"There is a growing awareness of the seriousness of the problem," says one senior Western diplomat. "In the past year there's been a very serious change in the posture of the government toward the insurgency. Though there's still far too much power in the executive branch, there's been some diffusion lately."

The problem of army reform seems at public consciousness. A significant reason for the growth of NPA influence has been the army command's inability to prevent some units from overreacting to NPA provocations. For the peasants, caught in the cross fire, the results have been bloody.

Many younger officers have joined the reform movements that have sprung up in the army in recent months. These movements, aimed at restoring the army's integrity, are still in their early stages. But the Marcos government, and foreign observers as well, take them seriously. They are now, says one Westerner, a "recognized force" on the Philippine scene.

Economic reforms are at an equally early stage. "Broadly speaking," a senior diplomat says, "the macroeconomic picture is getting better; inflation has been trimmed and foreign debts rescheduled. But there is still anxiety at high government levels."

Overall, the broad public sense of frustration — and anger — with the Marcos government persists. One serious area of contention is the president's failure to squarely address real charges that he, his family and cronies have illegally invested millions of dollars overseas.

The president's mysterious illness, which in recent years has caused him to retire from the public scene in late summer for months at a time, raises deep concern about the leadership.

Perhaps, as some observers hope, the national emu will begin to dissipate as the national elections of 1986 draw near. But for now, the questions persist. In Saigon, in 1963, most observers had discarded the old slogan of "Sink or swim with Ngo Dinh Diem." In Manila these days, "Save your carcass with Ferdinand Marcos" draws even less enthusiasm.

The writer, a deputy editor of the International Herald Tribune on leave, is a specialist in Asian affairs.

LETTERS TO THE EDITOR

Investment by Filipinos

In response to "A Manila Financier Looks Afloat" (Aug. 1) by Steve Lohr:

I read with much regret the statement by Enrique Zobel, former head of Ayala Corporation: "If you had money to invest in Southeast Asia, the Philippines is the last place I would tell you to put it now."

I feel compelled to make clear the position of Ayala Corporation. Our investment decisions are based on the proposition that in a time of crisis we must do our part, because if we all adopt a wait-and-see attitude, nothing will ever happen. How the Philippines needs is new investment to hasten economic recovery, and Filipinos themselves should take the lead.

Thus, despite the depressed situation in the microelectronics industry Ayala is in the midst of a \$5-million- peso (about \$5.4 million) plant expansion for Integrated Microtronics, Inc., an Ayala subsidiary.

Politically the Democrats might do well to consider the kind of luck we Republicans had with the ideas they are now thinking of adopting. The Smoot-Hawley tariff was the prelude not only to national economic but also to Republican political disaster. As E.E. Schattschneider remarked in his soon-to-be-minority Hoover Republicans in his classic study of the Smoot-Hawley tariff: "To manage pressure is to govern; to let pressure run wild is to abdicate."

The Washington Post

No Round Lumber

Regarding "Square-Trunk Trees Found in China" (Science, Aug. 8):

As a mathematician, I was perturbed when I read about the discovery of the species of tree with a square trunk. Why was I not informed as to whether it has a square root?

PETER McCABE
Chairman and President
Ayala Corporation, Manila

Letters intended for publication should be addressed "Letters to the Editor" and must contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

FROM OUR AUGUST 13 PAGES, 75 AND 50 YEARS AGO

1910: Strikers Militant in Spain

SAN SEBASTIAN, Spain — Two hundred strikers at the Bilbao mines attempted to stop work at a Northern Railway station (on Aug. 12) but were dispersed by the Civil Guards. The strikers are excited because the employers announce they will recompence work in the mines with strike breakers. This decision will not be put into practice until Tuesday (Aug. 16) since the Government has decided that it will protect any man who is willing to work on that day if no critical clash occurs before then. Tranquility prevails throughout the rest of Spain. Among the people arrested here for causing a disturbance in the streets last week was Señor Orme, president of the Bilbao Junta, who at first gave another name to the police.

— The *Guardian* (London).

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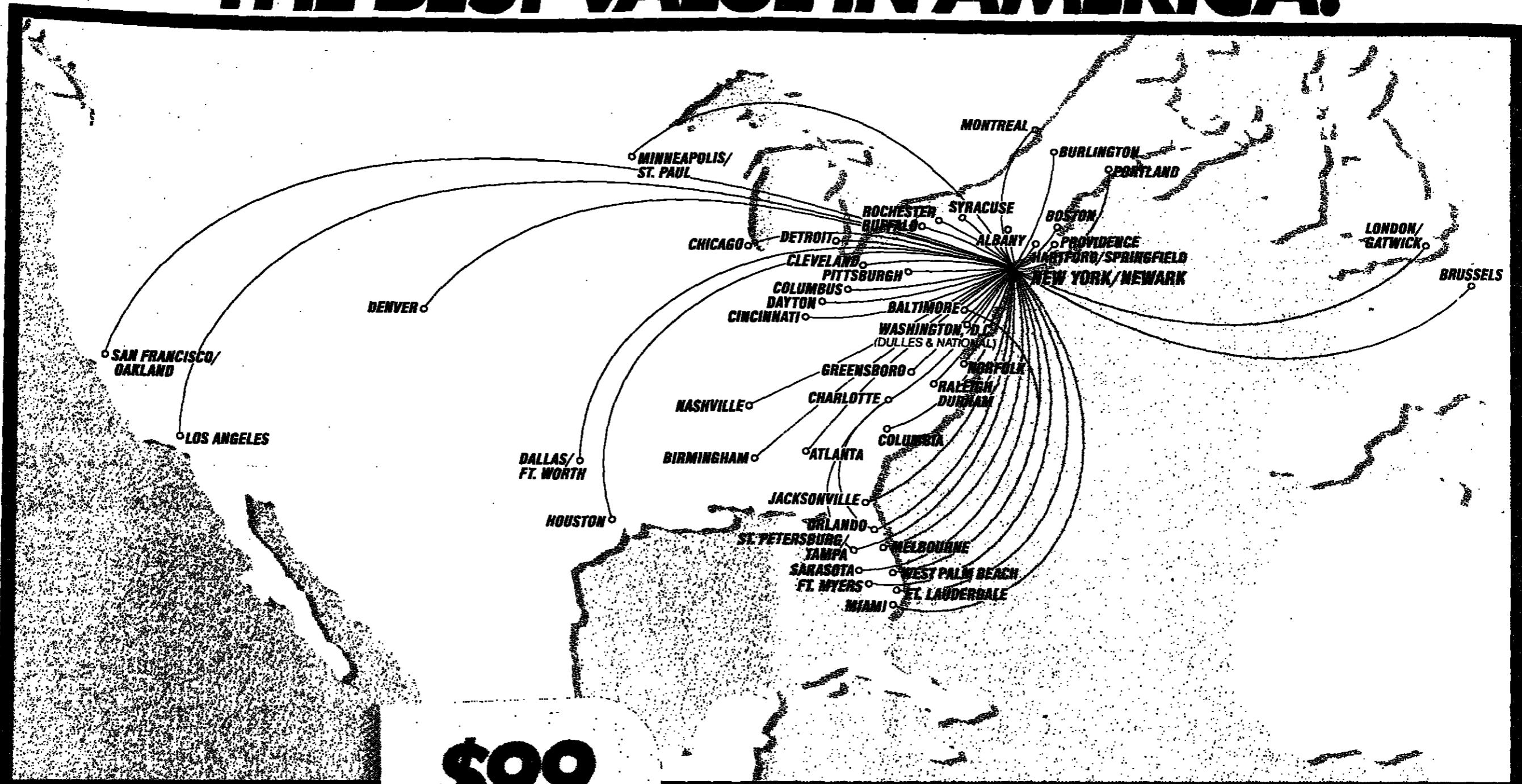
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In that short time over 24 million people have flown us. This has made People Express the fastest growing airline in the United States.

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Growing Ability of U.S. To Detect Nuclear Tests Tipped Off by Officials

By Walter Pincus

Washington Post Service
WASHINGTON — The United States is operating a little-publicized worldwide nuclear monitoring system that is designed to detect all Soviet underground test explosions, according to testimony before Congress and former government scientists.

In June, the United States added a sophisticated seismic array in Norway as part of a program to upgrade the system. Washington is negotiating with another Nordic government for a similar facility, according to sources.

The new seismic arrays, which measure high-frequency signals, will be able to pick up extremely low-yield nuclear explosions at much longer distances than has been possible with a lower-frequency system, operated in cooperation with Norway since 1970.

If the Soviet Union tries to hide tests by exploding a nuclear device inside a large cavern, a scientist said, it is unlikely to be successful because the new arrays can detect tests even under 10 kilometers.

Small underground nuclear explosions are used by the United States and the Soviet Union to test the fission triggers for hydrogen bombs, as well as small-scale versions of the weapons. They are used less frequently to test the reliability of weapons already in the stockpile.

The ability to monitor these small tests permits U.S. intelligence to keep track of all Soviet nuclear activities, as well as to gather data for verification of any future arms agreements.

U.S. intelligence agencies last week were described by a Pentagon source as "apoplectic" because both Secretary of State George P. Shultz and Robert C. McFarlane, the national security affairs adviser, revealed that "the Soviet Union has conducted three tests within a matter of days" before proposing its five-month test moratorium.

None of those Soviet tests had been announced by the Department of Defense.

Honduran in Israel for Talks

REUTERS
TEL AVIV — Foreign Minister Edgardo Paz Rámon of Honduras arrived Monday in Israel for talks about expanding ties and establishing a permanent diplomatic legation. The countries maintain diplomatic relations.

Japan's Prosperity in Defeat Leaves Some Fearing It Won't Last

(Continued from Page 1)
11 P.M.? How sane and stable can children be when life for them is an unrelenting battle for entrance to a good school?

Modernization has already ravaged many of the old village relationships. Divorce, while low by Western standards, is on the rise. Few young Japanese today say the support of old people is the family's responsibility. As a result, more than 300,000 Japanese women over age 60 are living alone.

Among the countless words based on American ideas the Japanese have adopted is *sutosei*, which means stress. There are many ways of coping with *sutosei*, including golf, pinball parlors and drinking. The Ministry of Health and Welfare estimated recently that 2.2 million Japanese would benefit from professional treatment for alcoholism.

Some devices were put in place 20 years ago to study earthquakes, and they have been supplemented more recently with modern units.

Two other systems for monitoring underground tests are also in use. One uses over-the-horizon radar to monitor disturbances in the upper atmosphere caused by shock waves from nuclear explosions.

The other uses microphone arrays to monitor very-low-frequency waves generated into the upper atmosphere by nuclear explosions.

U.S. officials say modernized monitoring arrays are useful both in determining Soviet compliance with the 1974 Threshold Test Ban Treaty, limiting underground tests to 150 kilotons or less, and in gathering intelligence on Soviet nuclear weapons programs.

The new high-frequency array in Norway "should have a big impact on our ability" to monitor all Soviet tests, "even fully decoupled ones," said Jack F. Enevold, a specialist on seismic measurement for the U.S. Geological Survey. He said a second high-frequency array would greatly increase that ability.

The system in Norway receives data from a Soviet explosion and transmits it to a U.S. satellite, which relays it to an analysis center in the United States.

A similar system of five modern seismic monitors exists in the United States and Canada, providing the U.S. center with instant data from several parts of the world.

At the White House, officials said the United States has no plans to resume negotiations on an underground test ban treaty, despite the declaration by the Soviet leader, Mikhail S. Gorbachev, of a moratorium on tests until Jan. 1.

When Mr. Gorbachev proposed the five-month test moratorium July 19, the White House quickly turned it down.

Administration officials said they wanted to be able to continue testing to develop new warheads for the Midgetman, a small intercontinental missile, and possible systems for the Strategic Defense Initiative, the space shield against missiles.

Amoretta M. Hoeber, the senior chemical weapons official of the U.S. Army, said that, as a result,

Singapore, which are trying eagerly to catch up. So far, Japan is managing. This year, for example, as South Korea exported its first video cassette recorder, Japan brought to the market the world's first 8mm systems, the next generation in home video.

Japan's emergence as one of the world's oldest populations will pose another economic challenge. There are approximately six working-age people to support every Japanese over 65; by the year 2000, there will be four. Ten years after that, there will be only three. Productivity will have to rise rapidly just to keep things even.

Many older Japanese, meanwhile, fear that the new generation lacks the mettle for the task ahead. The newspapers are full of evidence that shocks the Japanese treatment for alcoholism.

Prime Minister Yasuhiro Nakasone upset some people earlier this year by suggesting that people take all their allotted vacation time. Leisure is seen increasingly as the key to solving both Japan's spiritual woes and its tensions with foreign governments, which feel that more play will mean fewer exports and more imports.

Looking to the future, Japan is in fine shape, from an accountant's point of view. In the early 1990s, it will be sitting on a mountain of accumulated trade surplus dollars, \$400 billion by some estimates. Japan's emerging role as banker to the world will be confirmed.

Most economists here predict that Japan's large factories will continue to modernize rapidly, putting robots and computers on the assembly line. Industry is increasing rapidly, putting the value of the raw materials it imports from abroad and resells as finished products.

At the same time, fewer Japanese will work on assembly lines, according to Itoen Takahashi of the Mitsubishi Research Institute. The fast growing fields will be the "soft" sides of the factory process, such as design, and computer control of production. These will allow factories to shift away from standardized products toward ones that are customized on the assembly line to each customer's tastes.

Japan will have to keep one step ahead of fast-developing countries like South Korea, Taiwan and

the day will come when Japan will again face poverty and misery. I can't say why, but this prosperity and happy times cannot last forever."

Earthquakes, typhoons and volcanoes have for centuries fostered a belief in Japan that human endeavor is built on sand. Today's prosperity, however, has an added vulnerability. Virtually all the oil and resources that keep Japan fit and humming come from somewhere else.

Every time a rocket hits a tanker carrying oil in the Gulf, Japan is reminded how easily the flow could be cut off. Every time the yen slips or gains a point on the world's foreign exchange markets, corporations and banks around the country feel the effects.

Despite this dependence, Japan, more than any

Japanese annually. But only a handful of Japanese books are published abroad. Yuki Matsuura, excepted, most educated Americans cannot name a single Japanese author. Japanese diplomats sometimes muse that what Japan needs is a personal ambassador — a star on the international tennis circuit, for instance.

Internationalize, the Japanese are told relentlessly. Prime Minister Nakasone has tried to set a personal example. With press photographers following him, he stopped into a Tokyo department store recently to buy an Italian neccio, French sport shirt and British short game.

The government, arguing that Japan's industrial status has given it new responsibilities abroad, is slowly expanding the country's role beyond that of an exporter. Military and foreign aid are the only two categories of the national budget that are consistently growing these days.

Japan now devotes about \$4.3 billion a year to foreign assistance. Under constant pressure from the United States to contribute more to regional defense, it is conducting a military buildup that has extended deep into the Pacific.

Still, memories of the war and a belief that caution has served it well in the past 40 years continue to restrain Japan from any significant leadership in the world's non-economic forums. It continues to be a follower of the United States.

More than any other nation, Japan prospered under the world order the United States created after 1945. Despite simmering trade disputes, it continues to view the United States as its best friend. But as Americans fight inconclusively with productivity and deficit problems, Japanese fear their friends and protectors have lost their way.

"We're traveling the same road," said Mr. Yoshiro Hosono of the Institute for International Economic Studies, dismissing suggestions that Japan is prepared to strike out on its own. "What we miss is a United States that has a comprehensive philosophy and gives us guidance."

NEXT: Survivors remember the war that transformed Japan.

"I am happy now, but I am convinced the day will come when Japan will again face poverty and misery. This prosperity and happy times cannot last forever."

Mayumi Sano

Tokyo high school student

other industrialized nation, feels ill at ease with things foreign. Japanese shoppers spurn imported goods. Young people who have been educated overseas have trouble finding good jobs because companies fear they might have the wrong attitudes. Some end up going to special schools for deprogramming.

The Japanese government contributed \$40 million last year toward supporting Indochinese refugees in camps in Southeast Asia. But in 10 years it has accepted only 4,300 of them for permanent resettlement here. Crowding is cited, but the government also seems to fear that the cultural homogeneity would be threatened.

At the same time, Japan remains a faceless nation to the rest of the world. Movies, magazines and U.S. government cultural centers give foreigners a feel for Americans and their way of life. Japan, on the other hand, is known mainly by labels on its products.

Thousands of English books are translated into

tions have altered in the meantime."

The commission said the most urgent military need was a chemical weapon that could reach behind enemy lines to hit command centers and supply depots. It said the planned Bigeye bomb "is not the optimal solution" because it would expose pilots and valuable aircraft to anti-aircraft fire.

The alternatives, such as chemical ballistic or cruise missiles, "have been neglected by U.S. military planners," the report said.

Counterfeiting Case in U.K.

REUTERS
RUGBY, England — Three Britons were arrested Monday in an alleged plot to print and circulate \$2.5 million in counterfeit U.S. dollars.

Bee Feces Theory Of Yellow Rain Is Reasserted

NEW YORK TIMES SERVICE

WASHINGTON — Five scientists have asserted again that what is called yellow rain is actually "the feces of honeybees."

They say it is not a residue of Soviet weapons using mycotoxins, as the U.S. government has

described it.

The group, organized by Matthew S. Meselson, a biochemist at Harvard University, made its report in the September issue of *Scientific American*.

The theory that yellow rain poisons are produced in nature by fungi that grow on the feces of bees was put forth by Mr. Meselson two years ago.

Amoretta M. Hoeber, the senior chemical weapons official of the U.S. Army, said that, as a result,

Pentagon's Long Campaign for Toxic Arms Opens New Battle

(Continued from Page 1)

mail in Europe, the House-Senate conference dropped the requirement. But the bill would require the president to consult with allies and prepare a detailed deployment plan. The conferees also approved a nonbinding statement that the new weapons would replace existing stockpiles.

Pentagon officials now insist they have no plans to put the weapons in.

The new weapons are considered safe to handle than the old ones because they contain separate canisters of nonlethal chemicals that mix to form a deadly vapor only when fired. The old weapons already contain the nerve agents in their deadly forms.

Critics of this plan have contend-

the new weapons could be stored safely in the United States or on ships and flown to the front when a crisis began.

"I honestly don't think it makes very much difference" if the weapons are not put in Europe, Mrs. Hoeber said in an interview.

The Chemical Warfare Review Commission also endorsed that view in its report.

However, John G. Kester, a former Pentagon official who wrote the commission's report, said: "It would be better to have some weapons forward-deployed." He suggested it would be possible to store the heavy shells loaded with just one of the two ingredients in Europe, bringing the missing component of the binary nerve gas in at the last minute.

Critics of this plan have contend-

ed that having to whisk the weapons in.

ons overseas in a time of crisis would take up scarce cargo space and possibly would raise the level of tensions.

Rep. John Edward Porter, Republican of Illinois, who opposed the new chemical weapons proposal, said, "If it was a Soviet military planner and saw the U.S. rushing tons of chemical ordinance to the front, I would assume I'm about to be attacked with chemicals and would use mine first."

Testing has been another uncertainty in the new nerve gas weapons program.

After an open-air test in 1968 was faulted for killing a flock of sheep near Dugway Proving Ground, Utah, Congress banned outdoor testing unless the Pentagon certified that it was necessary for national security and the secre-

tary of health and human services concurred that it was safe.

All tests of the proposed new weapons, a 155mm artillery shell and the Bigeye bomb, have been conducted using chemical simulants, with the actual chemical reactions confined to laboratories.

Matthew S. Meselson, a professor of biochemistry at Harvard University who opposes the new weapons, said: "It would be totally unprecedented to issue our troops untested weapons. The simulants they have used are just not like the nerve agent. It's unsafe not to test."

The Chemical Warfare Review Commission has raised another question about the new chemical weapons.

The shell and the bomb both are the products of 1960s technology," the commission said, "and military weaponry and assumptions have altered in the meantime."

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a. Associate Professor - 1 post
b. Assistant Professor - 1 post
Candidates should have experience in teaching and/or research in clinical psychiatry, preference will be given to suitable candidates who speak Arabic.

Medicine

a. Associate/Full Professor in Dermatology - 1 post

Paediatrics - 2 posts
a. Associate Professor in Paediatric endocrinology Allergy or gastroenterology

Physiology

a. Associate/Full Professor - 2 posts
Preference will be given to general systemic physiologists with balanced experience in teaching and research.

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a. Associate/Full Professor in Toxicology - 1 post
b. Associate Professor in Clinical Pharmacology - 1 post
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a. Professor - 1 post
b. Associate Professor - 2 posts
c. Assistant Professor - 1 post

Experience in one or more of the following areas is needed: Body-CT, Orthopaedic Radiology, Paediatric Radiology, GI and GU Radiology, and US Interventional Radiology.

Nuclear Medicine

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b. Assistant Professor - 2 posts

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a. Assistant/Associate Professor in Transplantation Surgery - 2 posts

Applicants should have a background of general, vascular or urological surgery, possess the Fellowship of the Royal College or be certified by a recognized Board of Surgery or their equivalent. They should have 2 to 3 years of training in any area of clinical organ transplantation.

For the Associate Professor another additional 3 to 4 years of practice in clinical transplantation surgery are required.

b. Assistant Professor in Experimental Surgery - 1 post

Applicants should have a background in surgery or immunobiology, possess a surgical Fellowship or a Ph.D. or equivalent and have 2 to 3 years of experience in surgical research preferably in an area related to Organ Transplantation.

c. Assistant/Associate Professor in Clinical Bone Marrow Transplantation - 1 post

App

Parties Proliferating In Tolerant Atmosphere Of Post-Junta Brazil

By Alan Riding
New York Times Service

RIO DE JANEIRO — If democracy means the right to form political parties, political freedom is rampant in Brazil. Since the armed forces stepped down in March, 25 new parties have been legalized and more are waiting in the wings.

The five parties permitted to operate in the final stages of the 21-year military dictatorship remain the only ones with widely recognized initials, yet even they are adding to the alphabet soup as dissidents form their own movements.

The result has been confusion, caused not only by the multiplication of parties, but also by the similarity of their names. Six parties describe themselves as "democratic," five refer to "workers" and three use the word "liberal." There is a PRT and a PTR, a Brazilian Communist Party and a Communist Party of Brazil.

In November, the strength of old and new parties will be tested in mayoral elections in state capitals. As the first elections since the dictatorship ended, they also will gauge the country's thinking before legislative elections next year, and they may even create favorites for the first direct presidential elections since 1960. Those elections are expected to be called in 1988.

"The spontaneous organization of new parties reflects a level of energy that is new," said Candido Mendes, a political scientist. "But is this the best way of channelling the population's aspirations?"

Some experts say they see the phenomenon as a natural reaction to the lifting of a wide range of political controls, including limitations on the right to form parties and strict requirements of party loyalty. Pent-up ambitions and long-proscribed ideas suddenly being set loose.

Yet the galaxy of new parties also reflects the traditional weakness of Brazil's political movements. Even before the 1964 coup, they were built around regional in-

terests or charismatic individuals rather than clear ideological positions. They rarely displayed much internal democracy, with candidates selected behind the scenes rather than at conventions.

Therefore, it proved easy for the military regime to dismantle the existing parties and decree two new parties — one pro-government, the other in cautious opposition — into existence. As the country prepared to return to democracy in the early 1980s, these two parties were forced to change their names, while three new opposition parties were authorized to run candidates.

By last year, even this structure had begun to disintegrate, with an important faction from the governing Democratic Social Party defecting to a new party, the Liberal Front. This faction in turn backed Tancredo Neves, the Brazilian Democratic Movement's candidate for president, in an electoral college vote seven months ago.

But after Mr. Neves died without taking office and his running mate, Jose Sarney, became president, the governing coalition began to fall apart as squabbling erupted between and within its two parties.

Communist legislators who had been elected in 1982 under the Brazilian Democratic Movement's banner left to form their own bloc.

"The end of restrictions over parties made it more complicated to maintain discipline and order," said Senator Fernando Henrique Cardoso, the government's spokesman in Congress. "Anyone could leave and form his own party."

Aspasia Alcantara de Camargo, a scholar who has written extensively about Brazilian politics, said: "Political parties do not enjoy public credibility. And the standing of Congress is even worse."

Recently, the image of Congress was further bruised when seven members were photographed voting twice on important bills and when they escaped with only a reprimand.



It was raining in Bamenda when Pope John Paul II arrived on Monday and he did not conceal his opinion of the weather.

Pope Warns Africans on Birth Control

Reuters

BAMENDA, Cameroon — Pope John Paul II urged Africans on Monday to ignore ideas from the developed world on limiting the size of families by contraception and abortion.

On a visit to Bamenda, in the English-speaking western part of the country, the pope praised the high value Africans traditionally placed on children.

He said these were threatened by a "powerful anti-life mentality," a term the Roman Catholic Church uses for artificial birth control and abortion.

This mentality, the pope said, is widespread in developed countries and is being passed on to developing nations as if it were the prelude to development and progress.

He warned against "the path of selfish materialism and consumerism which have produced so much suffering in other parts of the world and which you, too, are now beginning to experience."

The church, the pope went on, recognizes the problems of population pressure faced by African countries. He referred to the rhythm method of birth control favored by the Vatican.

Africa has the highest birth rate of any continent and many governments are working with Western aid to spread the techniques of artificial birth control. The church is often criticized for its absolute ban on contraception, especially in light of severe famine in African regions.

The pope brushed off such criticism, quoting from an apostolic exhortation he wrote on the family that stressed the church's belief that "human life, even if weak and suffering, is always a splendid gift of God's goodness."

"This does not mean that the church fails to recognize the grave problems posed by population growth in some parts of the world," he said. He urged Catholic leaders to work harder to spread the understanding of natural contraception.

In his address, which he delivered in English, the pope reaffirmed teachings on divorce.

Noting the answer of Jesus Christ to divorce, the pope said the

answer was being given again. "This answer says that marriage is a permanent and unbreakable covenant between a man and woman," he said.

Referring to Africa, where polygamy and trial marriages are common, he said Christians should "live their marriage and family covenant as a sacramental manifestation of the union of Christ and church."

Actor Aids in Surgery On Salvadoran Rebel

By Marjorie Miller
Los Angeles Times Service

SAN SALVADOR — Mike Farrell, the actor who for eight years played a surgeon in "M*A*S*H," the television comedy set during the Korean War, found himself in a real operating room last week helping a Los Angeles doctor perform surgery on a captured Salvadoran guerrilla commander.

Under heavy police guard, Mr. Farrell and a neurosurgeon, Alejandro Sanchez, worked for two and a half hours to restore use of the right hand of Nidia Diaz, a commander of the Revolutionary Party of Central American Workers, a faction of the Farabundo Marti National Liberation Front.

Miss Diaz was captured after being shot in the arm, foot, back and hand during a guerrilla clash with the Salvadoran Air Force in San Vicente province in April. U.S. human rights activists and doctors examined her soon after she was taken into military custody, and when they found that she had lost the use of her hand, they began to press for the operation.

Miss Diaz first gained international attention when she represented her group in peace talks last October between the Farabundo Marti front and the government of President Jose Napoleón Duarte. The armed forces announced after she was captured in April that she was carrying important guerrilla documents at the time.

Her guerrilla faction, known by its Spanish initials PRTC, claimed responsibility in June for the shoot-

ing deaths of four U.S. marines and nine civilians at cafés here.

The operation on Miss Diaz was arranged by Medical Aid for El Salvador, a Los Angeles-based organization that provides medical and humanitarian assistance, usually to civilian casualties of the war.

Sand Brim, executive director of Medical Aid, said the group got involved in the Diaz case because they felt she was being denied proper medical treatment.

Mr. Farrell, 46, who has been active in human rights and refugee work in Central America for three years, said he traveled to San Salvador as an observer of the operation for Amnesty International, the London-based human rights organization.

He said he had no medical training and had not intended to participate in the operation, which took place Friday at an unidentified private clinic here.

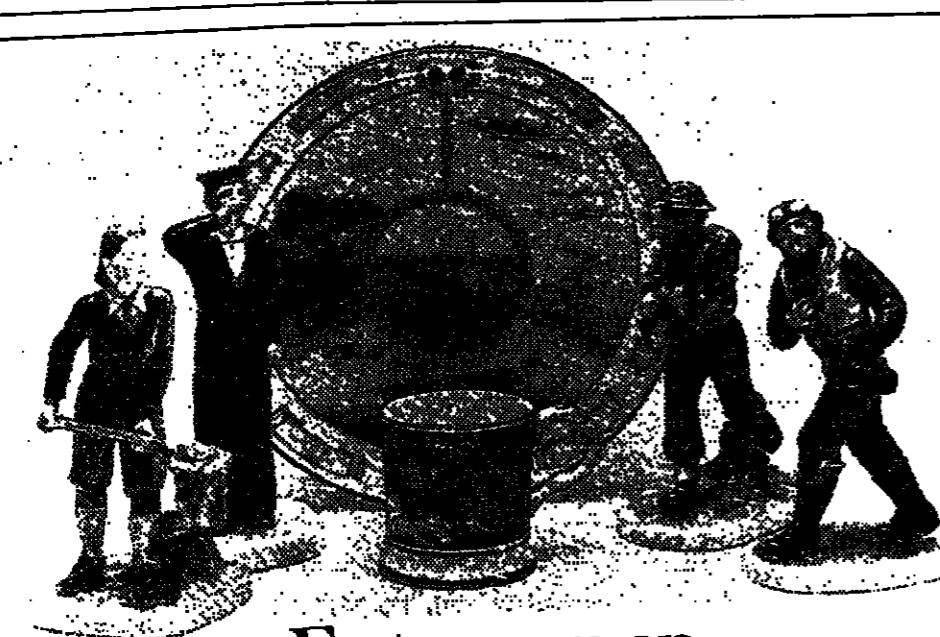
Mr. Farrell said Dr. Sanchez told him he needed help just before the operation, since the case was "too much of a hot potato" for local surgical aides to handle.

"I know this is going to look like a stunt, but that's too bad," he said. "It isn't."

He said a guard with a surgical mask stayed in the operating room and that several armed guards stood outside.

Major Carlos Aviles, a spokesman for the armed forces, said the operation was successful. Dr. Sanchez could not be reached for comment.

A legal battle is expected when the trial resumes Oct. 7, to determine whether the court can admit testimony he gave during preliminary hearings.



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Insurgents in Uganda Said to Expand Control

The Associated Press

KAMPALA — Guerrillas who have resisted ending a four-year insurgency, despite the overthrow last month of President Milton Obote, are now in control of most of western Uganda, according to reports received here Monday.

The reports of the rebels' gains came a day before peace talks.

The latest garrisons taken by National Resistance Army guerrillas are in the two largest cities in southwestern Uganda — Mbarara, about 180 miles (288 kilometers) from Kampala, and Kabale, 85 miles further southwest, according to frequent reports that could not be confirmed.

Reliable sources in south-central Uganda, who asked that their names not be used, said other rebel units were converging on Nakaseke, 30 miles north of Kampala, with the apparent intention of establishing a major base.

Both there and in the west, soldiers loyal to the new government were reportedly disarmed with little or no resistance.

Two other western cities with military garrisons, Fort Portal and

Kasese, fell to the rebels before the July 27 coup.

The National Resistance Army, led by a former defense minister, Yoweri Museveni, is the largest of several guerrilla groups that had been fighting Mr. Obote's forces.

Lieutenant General Tito Okello, the new head of state and chairman of the military council, announced Saturday that he and other leaders would go to Tanzania for talks with Mr. Museveni on Tuesday.

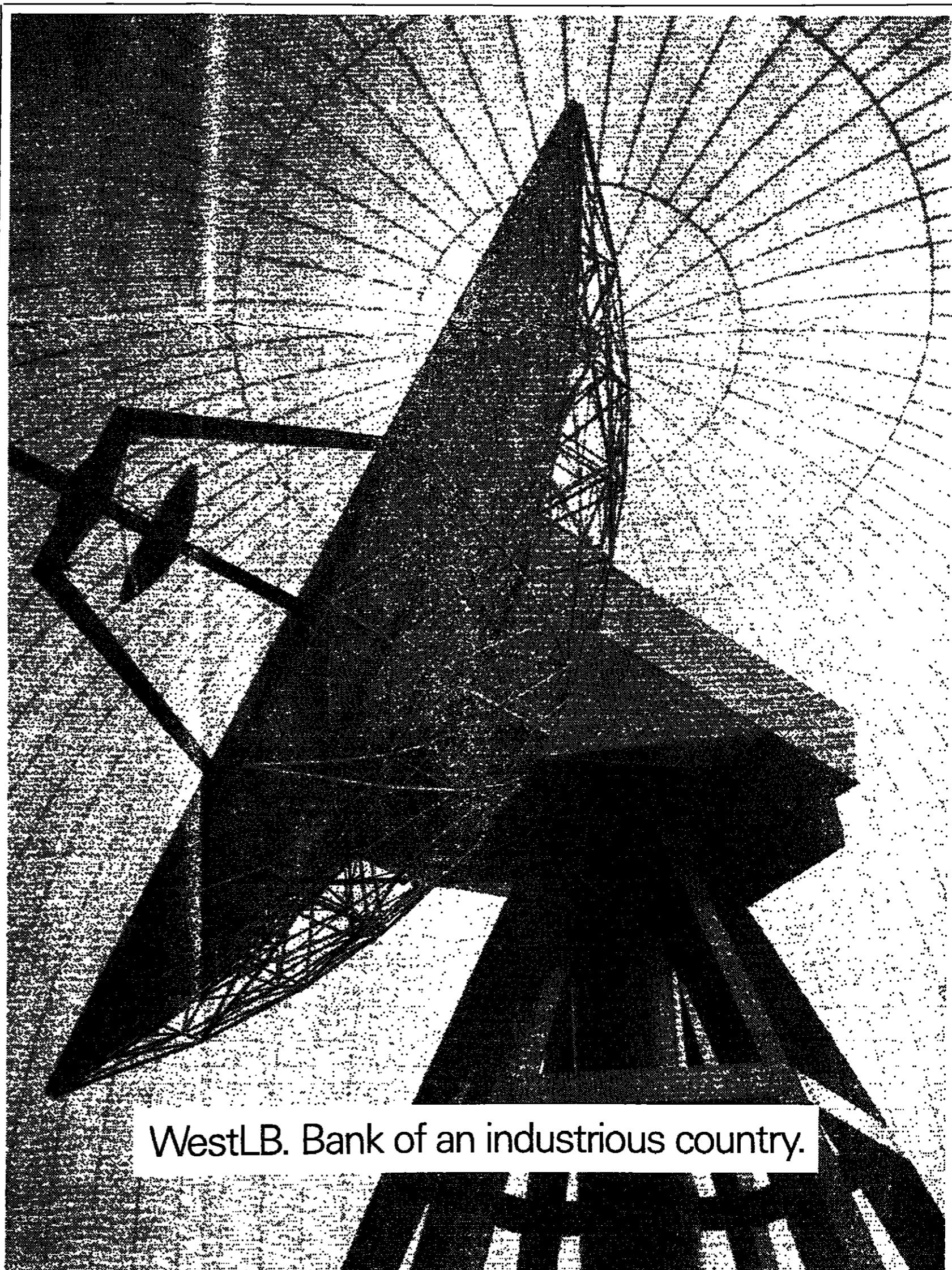
The guerrillas have said repeatedly they are willing to discuss power-sharing arrangements. Their principal condition — based on a refusal to recognize the new government — was that General Okello, present himself only as army chief, not as head of state.

In another development, a Roman Catholic newspaper, Munno, reported that at least five persons were killed in a weekend of looting.

The incident occurred Saturday night and early Sunday in Jinja, Uganda's second-largest city, when soldiers fired into the air and then set upon people who had gathered to welcome Yoweri Kyesera, a former transport minister who had been freed from detention.

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ARTS / LEISURE

Heating Up Siberia With Jazz' Warmth

By Michael Zwerin
International Herald Tribune

PARIS — It was minus 40 degrees Centigrade (minus 40 degrees Fahrenheit) in Novosibirsk. Alexander Ivansky's hands, as he waited 35 minutes for a bus, stuck to his face when he rubbed it. But after the sleet, frozen streets, the saxophonist Vladimir Tolksachev's version of "Satin Doll" in the sold-out, 700-seat hall burned off the chill. "You really appreciate the warmth of jazz," said Ivansky, who emigrated to France in June. "When you have to fight the environment to hear it."

Calling Novosibirsk "the capital of Russian jazz," he compared it with 1960s Paris, where American avant-garde musicians who could not get accepted at home were developing their new "free" style. Moscow, "over the Urals," is like New York — the marketplace.

"It may be hard for Westerners to comprehend, but it's very simple," Ivansky said, shrugging: "In the European part of Russia, you can buy something to eat. Shopping in Siberia is like hunting. Every day you must hunt."

Ivansky was born in Novosibirsk 30 years ago. After studying physics and mathematics, he was awarded a fellowship in Akademgorodok, a nearby scientific center. He listened to Bill Evans, transcribed his solos, practiced them on the piano. But he was always an amateur musician. Then he became a correspondent for Jazz Forum magazine, published in Warsaw.

"I was a communicator," he said, in passable English. "I told the world about Siberian jazz. I had access to foreign media because my wife, Anne, is French. I borrowed films from the French Embassy — Michel Petrucciani with Charles Lloyd, Memphis Slim, Sun Ra, a documentary about the Nimes Festival. You cannot imagine the isolation out there. These films had a great impact on the musicians of Novosibirsk."

He calls them "a tight circle." They huddle together under the umbrella of "Creative Jazz Unity," an organization that has been presenting festivals, concerts and symposia for 10 years. "These exceed in



Alexander Ivansky

musical quality, geographical scale and organizational complexity the official Philharmonic programs," Ivansky said. "But CJU is not recognized officially, it cannot have a bank account." Who are they? "Scientists, intellectuals, doctors. Officials do not welcome such private organizations. Its members work very hard and receive nothing but moral satisfaction."

The CJU president, Sergei Belichenko, a medical researcher who also plays drums, was interviewed by Ivansky in Jazz Forum: "Siberian jazz has only really existed for five years, since clubs are beginning to appear in cities like Kemerovo and Krasnoyarsk." To this, Ivansky adds:

"Many CJU musicians have built solid reputations on the Soviet jazz scene. The trombonist Victor Budarin won the Soviet critics' poll from 1978 to 1983; Igor Uvarov seems to be the only competent vibist in the Soviet Union. And in the past two or three years, interesting groups have begun to appear in Irkutsk."

The critic Efim Barban was an "ideological leader" who spread the word about Siberian jazz in a private newsletter before emigrating to London. He made 30 copies, the legal limit for such an unofficial journal. They circulated hand to hand. Gunther Schuller, touring the country leading his New England Conservatory Ragtime Ensemble, told Barban: "I was more impressed by the quality of the jazz I heard in Novosibirsk than anywhere else," Ivansky quoted Schuller with pride, while admitting that other cities — Leningrad, Tallinn, Vilnius — have produced better known "names," such as the Vacheslav Gamelin trio.

Belichenko used the AACM, the cooperative that gave birth to the Art Ensemble of Chicago, as a model of an organization run by and for musicians. The CJU sponsored a "Symposium of Contemporary Music" in 1977, bringing jazz musicians together with representatives of contemporary classical music. "These were people fired of playing the same old standards in their form," Ivansky said. "All five concerts were sold out. Many critics were invited to Novosibirsk and they wrote positive reports."

There is a Siberian Jazz Festival about every two years ("We are never sure it will happen until the last minute"), with a concert or so a month in between. Otherwise the musicians' work — jobs in restaurants where they make good money but degenerate because they have to play superficial pop songs and they drink very much every night."

Things are more or less the same everywhere in the Soviet Union: "Jazz is tolerated but not encouraged. Nobody is sent to prison for it, but to play this music involves sacrifice." There are about 12 groups authorized by Gosconcert, the official state booking agency, to play jazz. "They can make a living at it, but not the others. For a CJU concert, musicians get paid only if there's a positive balance."

Belichenko used Ivansky in Jazz Forum: "I dream some day of forming a Siberian Jazz Association. Then maybe an Asian one." Here [Ivansky inserted a parenthetical "laughs" in the interview.]

Ivansky appears to have had much of the capacity for laughter wrung out of him. He and his wife read a copy of "1984" in Novosibirsk and agreed that reality was worse than the book. "Life is terrible in Siberia," he said. "You must live with a lot of contradictions. As with Negroes in the States, great energy is combined with enormous frustration. But contradiction can be good for an art form."

At Consumer Reports magazine, circulation has reached 3.4 million,

the highest in its 49-year history. "There are more products than ever before in virtually every category and many are more complicated than ever before," said David Berliner, a spokesman for the magazine. He said readership had increased in part because "people feel overwhelmed."

Much of the expansion of operations can be traced to the deregulation of major industries in the last five to ten years. "As a result of deregulation the theme of the '80s is choice," said Barbara Berger Opotowsky, president of the Better Business Bureau of Metropolitan New York. "Never before have consumers had as many choices in areas like financial services, travel and telephone service."

The breakup of AT&T created seven regional telephone companies instead of one national and paved the way for about two dozen long-distance phone companies in the New York area and about 300 throughout the United States. Regulation of airline fares ended in 1978 and now "there are more flights, more airlines, more fares," said Dan Smith, manager of consumer and industry affairs for the Airline Passenger Association.

Recent changes in financial services include eliminating the interest ceiling on savings deposits, expanding money-market funds and individual retirement accounts, availability of interest-bearing checking accounts and electronic methods of transferring funds, said Meredith Fernstrom, senior vice president for public responsibility for American Express.

"Coming all at once, this can be highly confusing," Fernstrom said. "It takes longer to make informed decisions and people tend to make them on habit rather than on information."

A decade ago the average supermarket carried 9,000 items. Today it carries 22,000, said Robert Wunderle, a vice president of Pathmark supermarkets. A study by the Manhattan advertising agency Dancer Fitzgerald Sample found that 235 new items were introduced to consumers in May, the highest total in the 21 years since the monthly survey began. Among the new products is a worm-shaped version of Gummy Bears candies and a felt-tipped pen designed for polishing nails.

"We have aisles of shampoo, shelves of granola bars, 23 varieties of Nine Lives cat food — and the cat isn't even the one who decides," Wunderle said. "It's probably better that way. Now only the people are confused."

Manufacturers and retailers emphasize that the ever-expanding variety in the marketplace is an attempt to cater to, rather than confuse, the consumer. Of the 157 shades of lipstick, Nancy Rison, a spokesman for Revlon, said: "There is someone who wants each of them, or they wouldn't be there. We don't make products to sit on the shelf."

The company is stressing its plethora of colors in magazine ads. "Sweet confusion," reads the headline beneath a picture of a lipstick tube: "41 shades of pink, 29 shades of coral, 18 shades of red, 17 shades of purple, 24 shades of brown, 25 shades of wine."

"A lot of people are spending a lot of time on choices where the differences are not all that profound," said Dr. Norman Sussman, a psychiatrist at New York University.

"More and more consumers seem to be simply deciding not to decide."

Of the more than two million telephone customers in New York state who were asked to choose

among two dozen long-distance companies, 67.5 percent have left it to New York Telephone to make the decision for them. Though a variety of high-interest-bearing accounts are available and well-advertised, more than \$250 billion remains in statement savings accounts earning 5.5 percent interest, said Stephen Brobeck of the Consumer Federation of America.

But choices are not likely to go away. On a recent evening, Linda Opaline roamed the aisles at Tower Video with two friends, trying to choose a tape to go with their Chinese food. They rejected some movies because they had seen them, others because they did not know what they were about. Some were too heavy to suit their mood, others too light. Some were too long to sit through, others too short to fill an evening. After nearly half an hour of considering tapes, some suggested that they close their eyes and choose, rather than miss an evening's entertainment.

"You've got it wrong," Opaline said. "Deciding has become the evening's entertainment."

U. S. Consumers Baffled by Oversupply of Choice

By Lisa Belkin
New York Times Service

NEARLY 300 long-distance telephone companies in the United States today, and 23 flavors of Nine Lives cat food. Revlon makes 157 shades of lipstick (41 of them pink) and the Tower Video store offers 5,000 video cassettes for sale or rent. The Love drugstore chain carries 41 varieties of hair mouse. Across the United States, consumers and consumer advocates are beginning to wonder if there is such a thing as too much choice.

It is a question that many never thought they would be asking. As director of consumer services for the New York state Public Service Commission, Lisa Rosenblum has spent a career promoting consumer choice. But for the past two years she has fielded calls from consumers baffled by AT&T's breakup. "We may have reached a point," she said, "where there are so many choices and so much information that people simply can't decide."

"As a society we have become attached to variety, to many, many versions of the same thing," said Bernard Phillips, a professor of sociology at Boston University. "But what is good is it really? When it comes down to it, you can only take one to purchase home."

All over, there are signs of bewilderment. Nearly 40 percent of the 40,000 members of the Airline Passengers Association in Dallas listed "confusion" as the primary result of airline deregulation, and 63 percent of respondents to a survey by American Express said there were so many products on the market that it was difficult to choose between them.

At Tower Video, the tempo of the background music and size of the floor staff have been increased to keep customers moving. "People were spending all night deciding," said Joe Medwick, store manager.

"Even now we've only cut the average time to 15 minutes."

As choices and confusion increase, sources of information to answer consumer questions seem to be increasing as well. The Better Business Bureau of Metropolitan New York received tens of thousands of requests for its report on long-distance phone companies.

At Consumer Reports magazine, circulation has reached 3.4 million,

city Medical Center. "The black video-cassette recorder versus the silver one. Will it make any difference once you get it home?"

Many consumers seem to agree. "About a year ago I vowed never to set foot in a department store again," said Leslie Stanneman, who had just finished trying on a dozen pairs of jeans before finding the right one. "You go to a department store to find a white shirt and there are a zillion different departments that might have white shirts. By the time you get to all of them you don't feel like buying anything. Now I stick to small stores with no escalators."

"Tell them to bring back primary colors for clothes," said Linda Burton, a travel agent in Washington.

"Nowadays the blouse isn't pink, it's dusty rose. The suit isn't gray, it's battleship gray. It's impossible to buy anything that matches anything else."

"A lot of people are spending a lot of time on choices where the differences are not all that profound," said Dr. Norman Sussman, a psychiatrist at New York University.

"More and more consumers seem to be simply deciding not to decide. Of the more than two million telephone customers in New York state who were asked to choose

"La Mer" and Ravel's "Daphnis and Chloe" suite. Its encore won a further five minutes of applause.

To save everyone's feet, the French ambassador to Britain, Jacques Viot, ordered three of the six verses of Berlioz's eight-minute arrangement of the Marseillaise to be cut from the Edinburgh Festival to bring her to bark during a concert."

When Smith stood for the national anthems of Britain and France, so did the dog. During the long applause at the end of the concert, Gaye stood and wagged its tail.

Gaye was presented to Queen Elizabeth II last month when the monarch opened a new shopping center in Edinburgh.

The queen came over and spoke to Gaye and then to me and asked where she was trained and how long I had had her," Smith said.

The orchestra, returning to the three-week Edinburgh Festival for the first time since 1950, received a six-minute ovation after playing Debussy's "Marche écosaise" and clapped and clapped.

Haunting Reverberations In Roeg's 'Insignificance'

By Sheila Benson
Los Angeles Times Service

LOS ANGELES — "Insignificance," an intelligent, satiric comedy, brings together four 1950s icons on a sweltering Manhattan night, with haunting reverberations. Though never named, the white-blond movie star (Theresa Russell) filming on a street, grating her skirts blowing up around her ears, is the personification of Marlene Dietrich.

Janet Maslin of The New York Times on "Real Genius": "The story is set at a college with a highly advanced science program, which, unknown to the whiz kids, is being used to develop advanced weapons for the military. It centers on a boy wonder (Val Kilmer) with a tirelessly facetious sense of humor and a 15-year-old newcomer (Gabe Jarret) who has yet to get the hang of college life. Martha Coolidge, who also directed 'Valley Girl,' gives the dormitory scenes something of a high-tech 'Animal House' flavor. Kilmer appears to be capable of being much funnier than his dialogue here. (The film has made him a lot of unfunny public jokes, which seem particularly strange coming from a female director.) Jarret is charmingly natural as the shy 15-year-old who's smarter than any of his classmates. William Atherton is good as the teacher overseeing the program and trying to stay calm in the face of Kilmer's incessant clowning."

In the DiMaggio character. The film's most tender moments come from this hulking, noisy athlete, his loving, frustrated understanding of the impasse he and his wife have reached and his shrewd analysis of her needs, to have "a thousand people touching her all the time and . . . to be alone all the time also."

As the impotent, vengeful senator, unfortunately the least well drawn of the characters, Tony Curtis has the same smirking energy he had in "Sweet Smell of Success";

Janet Maslin on "National Lampoon's European Vacation": "This sequel to 'National Lampoon's Vacation' is not as funny but has a jokey, loose-jointed comic style. The gags tend to be broad, and the director, Amy Heckerling, has a way of repeating them. Clark Griswold (Chevy Chase) has to hit three Englishmen in a row to establish that he's a bad driver. The film derives its jokes from the stereotypical foreigners, the family encounters, the restlessness of the teen-age children (Jason Lively and Dara Hill) and the Griswolds' philistinism, which knows no bounds."

Janet Maslin on "Animals Are Beautiful People": "Jamie Uys has accompanied a series of cute voice-over observations about desert creatures with footage sufficiently fascinating to dispense with any sense of silliness. Uys, the South African director of 'The Gods Must Be Crazy,' made this documentary several years earlier and gives it a naive charm very like that of his big hit. The film includes a few embarrassing scenes in which tribesmen, seen in their native habitat, are described in much the same terms Uys uses for animals."

Janet Maslin on "International Positions": "TO PLACE AN ADVERTISEMENT contact your nearest International Herald Tribune representative or Max Ferrero: 181 Ave. Charles-de-Gaulle, 92521 Neuilly Cedex, France. Tel.: 747-72-65. Telex: 613 593."

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ASEA Profit Rose 4.7% in First Half

By Juris Kaza
International Herald Tribune

STOCKHOLM — ASEA AB, the Swedish electrical group, reported Monday that its pre-tax earnings rose 4.7 percent in the first half of 1985, to 1.1 billion kronor (\$132 million), from 1.06 billion kronor in the first half of 1984.

Sales totaled 17.18 billion kronor, up 9.5 percent from 15.69 billion kronor in the first half of 1984, ASEA said in an interim report.

The company forecast that because of a slowdown in the world economy, earnings for all of 1985 would be "approximately"

changed" from 1984, when it earned 2.48 billion kronor.

ASEA said growth in first-half earnings was limited because of a decline in earnings by its power-generating utilities in Sweden during the harsh winter. ASEA's utilities were forced to buy expensive electricity to cover customers' needs and were also affected by a late spring flood, which filled power-generating reservoirs to full capacity.

Michael Willis Fleming, a specialist in Scandinavian shares with E.B. Savory Millin, a London brokerage, said ASEA's first-half results were about in line with his expectations. He said the company's forecast was "overcautious."

The company forecast that because of a slowdown in the world economy, earnings for all of 1985 would be "approximately"

the same as in 1984, when it earned 2.48 billion kronor.

The profit picture was disappointing, but not unexpected, given the slow economy in general in the first half of the year, said Robert A. Gough, an economist at Data Resources Inc.

The U.S. economy grew at only a 1-percent annual rate in the first six months of 1985 and at a 1.7-percent rate in April through June.

The weak second-quarter results followed disappointing earnings in the first quarter. Many companies continue to suffer from a strong dollar and a flood of imports, economists said.

Total annualized, seasonally-adjusted, after-tax profits were \$136.3 billion in the second quarter, down 0.5 percent from the first-quarter total of \$137 billion and down 9.3 percent from the \$150.2 billion recorded in the second quarter of 1984, according to Data Resources.

U.S. corporate profits hit their all-time high of \$150.6 billion in the first quarter of 1984.

Among the industries hit hardest in the April-through-June period

were automakers, computer companies, textile makers and chemicals concerns. Aerospace companies may be bolstered by military contracts, did well, while airlines' results were mixed.

A compilation by The New York Times of second-quarter earnings at 274 companies showed that earnings increased at 140 companies from the same period last year, decreased at 99 and were at the same at 95 concerns; 30 companies posted losses during the quarter.

Most makers of computers and other office equipment had a difficult quarter as they suffered from weak demand and transition to new product lines. Net income at International Business Machines Corp. dropped 13 percent from the period last year. Wang Laboratories had a \$109 million loss, and Apple Computer, which went through a management shakeup that resulted in the co-founder and chairman, Steven P. Jobs, losing his day-to-day responsibilities, posted a \$17.2 million loss.

Weak demand from industrial customers hurt chemical makers. American Cyanamid Co.'s profits fell 34 percent; while Olin Corp.'s were down 52 percent and Union Carbide Corp.'s dropped 20 percent.

The Big Three automakers, which are suffering from import

competition and increased promotional expenses, all reported sharp drops in net income. Profit at General Motors Corp. fell 28 percent, at Ford Motor Co. 23 percent and at Chrysler Corp. 26 percent.

Many airlines, capitalizing on increased traffic, had rises in earnings in the second quarter. AMR Corp., parent of American Airlines, saw its net surge 144 percent to a record \$173.9 million. But UAL, the parent of United Airlines, registered losses of \$91 million after a monthlong strike.

Modest decreases in the dollar's strength have not helped earnings much, economists said. Most economists predict that growth for the second half of the year will be considerably above the sluggish rate of the first half, although profits are not expected to return to the robust levels of last year.

Many aerospace companies continued to benefit from high levels of military spending. Boeing Co.'s

MidCon to Acquire United Energy

By John Crudele
New York Times Service

CHATSWORTH, California — Computer Memories Inc., which derived 81 percent of its first-quarter revenues from sales to International Business Machines Corp., said it has been informed that IBM does not intend to order additional disk drives after the current contract expires Dec. 31.

The company said its sales to IBM accounted for about 67 percent of its revenues for the fiscal year that ended March 31 and 81 percent for the first quarter ending June 30, when its cash position was \$19.4 million and no debt.

The agreement, which has been the subject of rumors for weeks, would create a company with 30,000 miles (48,000 kilometers) of

pipelines stretching from the Middle West to Texas and the Gulf Coast of Florida. The combined companies would have assets of about \$6 billion and annual revenues of about \$7 billion.

Under the terms of the agreement, MidCon, based in Lombard, Illinois, will pay \$41 in cash for 18.1 million shares of United, or about 65 percent of the company's shares outstanding. The remaining shares will be exchanged for stock in the resulting company. That new stock is intended to be worth \$41 a share.

United's shares have been rising for the last two weeks amid rumors of a possible takeover. In heavy trading Friday, United closed at

\$36, up \$2 for the week, as speculation intensified that an agreement with MidCon was near.

A source close to the agreement said the transaction did not include provisions for liabilities that may be incurred from lawsuits pending against United. The company, which is based in Houston, is facing suits by customers whose contracts it canceled in the early 1970s.

Analysts have said liabilities from such suits could amount to as much as \$600 million.

Profit figures were not provided. Last year, Schering recorded a record 138 million DM in net profit, a 72-percent increase over 1983.

First-half group sales volume rose 12 percent, to 2.78 billion Deutsche marks (\$982 million), with all sectors recording growth. Volume in the parent company increased 11 percent, to 1.23 billion DM. Schering said in a letter to shareholders.

Parent-company earnings were higher than a year earlier despite a considerable increase in research and development spending, it said.

The group recorded an overall rise in first-half earnings even though U.S. profits fell.

Schering Reports Rise in Earnings In the First Half

Reuters

BERLIN — Schering AG, the West German chemical group, said Monday that it had increased first-half earnings in its parent company and group from the period in 1984. It also predicted continued good results in the second half.

Profit figures were not provided. Last year, Schering recorded a record 138 million DM in net profit, a 72-percent increase over 1983.

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Gulf, Petro-Canada Stall Pact

Reuters

TORONTO — A transaction between Gulf Canada Ltd. and Petro-Canada, the government-owned oil company, has been delayed for two consecutive years. In 1984, the company earned \$35.6 million on revenues of about \$4 billion. Some analysts have expected the company's profits to improve this year, but they have said revenues would remain flat.

Gulf's earnings have dropped sharply in the last three years, and its revenues have declined for two consecutive years. In 1984, the company earned \$35.6 million on revenues of about \$4 billion. Some analysts have expected the company's profits to improve this year, but they have said revenues would remain flat.

The typical Chrysler assembler earns \$12.79 per hour, 39 cents less than the \$13.18 per hour earned for the same work at General Motors Corp. and Ford Motor Co.

A pay increase set for Sept. 2 will bring typical Chrysler assembly workers to within 6 cents an hour of their GM and Ford counterparts. But a raise scheduled for two weeks later, the two larger automakers will wipe out that gain.

Beyond the money, UAW negotiators will push hard in the broad area of job security, including limits on contracting work outside the company that could be performed by UAW employees, Mr. Stepp said.

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United's earnings have dropped sharply in the last three years, and its revenues have declined for two consecutive years. In 1984, the company earned \$35.6 million on revenues of about \$4 billion. Some analysts have expected the company's profits to improve this year, but they have said revenues would remain flat.

The typical Chrysler assembler earns \$12.79 per hour, 39 cents less than the \$13.18 per hour earned for the same work at General Motors Corp. and Ford Motor Co.

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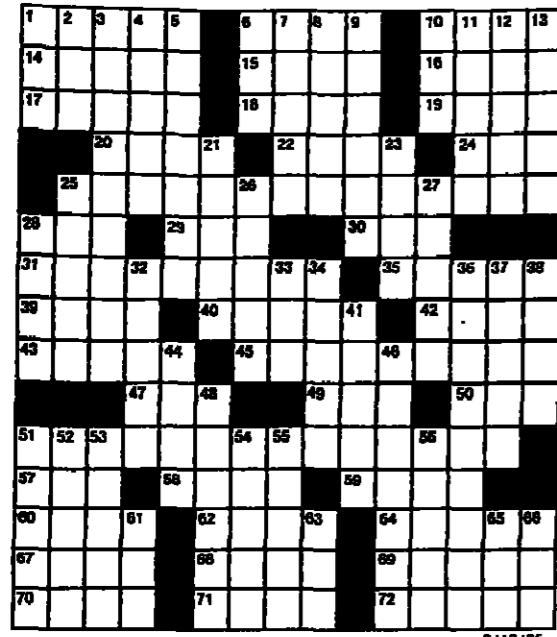
A pay increase set for Sept. 2 will bring typical Chrysler assembly workers to within 6 cents an hour of their GM and Ford counterparts. But a raise scheduled for two weeks later, the two

Monday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued from Page 10)

	12 Month High	12 Month Low	Stock	Div. Yld. PE	52s High	52s Low	Close	Chg.
2016	229	219	Petrum	1.29	42	18	78	-26%
10	575	565	Pfizer	2.05	42	12	77	-8%
175	172	168	PfSci	1.25	42	12	77	-5%
1316	1304	1296	Pectin	1.11	42	12	77	-3%
34	178	175	Pech	1.25	42	12	77	-3%
426	364	359	PechW	1.25	42	12	77	-3%
37	724	720	PeltBC	1.25	42	12	77	-3%
404	364	359	PechW	1.25	42	12	77	-3%
276	174	170	PepCo	1.25	42	12	77	-3%
419	329	325	PorkEC	1.25	42	12	77	-3%
185	174	170	Ponzi	1.25	42	12	77	-3%
186	174	170	Pordyn	1.25	42	12	77	-3%
216	174	170	PortDri	1.25	42	12	77	-3%
294	204	200	PortH	1.25	42	12	77	-3%
219	174	170	PortP	1.25	42	12	77	-3%
115	174	170	PortC	1.25	42	12	77	-3%
429	424	420	PortCo	1.25	42	12	77	-3%
278	174	170	PortP	1.25	42	12	77	-3%
185	174	170	PortP	1.25	42	12	77	-3%
186	174	170	PortP	1.25	42	12	77	-3%
216	174	170	PortP	1.25	42	12	77	-3%
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186	174	170	PortP	1.25	42	12	77	-3%
216	174	170	PortP	1.25	42	12	77	-3%
294	204	200	PortP</td					



PEANUTS

I KNOW EVERYBODY IN THIS FAMILY HATES ME! I'M GONNA GO WHERE I'M APPRECIATED!

THERE MUST BE A PLACE IN THIS WORLD WHERE I'D BE APPRECIATED.



GIVE ME A HINT...

8-13

14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

ACROSS

1 Shelf
6 Aldrich's "Story of Boy"
10 Costa loser
14 " — for the Misbegotten"
15 A source of hope
16 Venetian magistrate, once
17 Obligation
18 " — of the "Monty Python"
19 Gossip
20 Captives, for short
22 London streetcar
24 Dolly Madison, Payne
25 Foolishly selfish person
28 Letters of credit
29 Burns' dissent
30 Schi affiliate
31 Bach's "Brandenburg" —
35 Bruhaha
38 Within: Comb. form
40 Author Garcia
42 Point deep down in the ocean
43 Reposes
45 Element of the Great White Way
47 Football device
49 Female ruff
50 Surprise
51 Elaborate p.t.
57 Copy
58 Fiction name
59 A son of Isaac
60 Tear
62 Kind of bag
64 Maxwell et al.
67 Dryad's home
68 Memorable publisher
69 Blessed
70 Coy
71 Homophone for rose
72 Impudent

11 Busy
12 Come to terms
13 Poet's rhythm
21 Growl
23 TV's — Houston
25 Lorna
26 Grand National Park
27 Mother-in-law of Ruth
28 Cooler
32 Terra —
33 Bauxite
34 Contenna
36 Canine shelters
37 — I Hate to Get Up...
38 De — old car
41 Keep — (tend)
44 Transmit
46 Renters
48 Max Perkins, for one
51 Pub game
52 "Lulu," e.g.
53 Fur-bearing animal
54 A woof-woof
55 Direct
56 Sesame honey confection
61 Aberdeen stream
63 Suffix with host
65 Response to a ques.
66 Piggy

1 NE Thailand
2 Bird from Down Under
3 Enclosures for strays
4 — wild (lack restraint)
5 Interface
6 Robin Hood's drink
7 Nativity
8 Blazing
9 Absurd
10 Say further

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DENNIS THE MENACE



"I GUESS MY VOICE ISN'T DEEP ENOUGH."

JUMBLE

THAT SCRABBLE WORD GAME by Henri Arnold and Bob Lee

Uncramble these four Jumbles, one letter to each square, to form four ordinary words.

LYPHS

SPORTS

Green Wins PGA by 2 Shots Over Trevino

Compiled by Our Staff From Dispatches

DENVER — Hubert Green, after squandering the three-shot lead he held after three rounds, recovered on the back nine of Sunday's final round to win the 67th PGA Championship by two shots over Lee Trevino, the defending champion.

Green, 38, calmly parred the final seven holes to shoot a 1-over-par 72 on the 7,083-yard Cherry Hills Country Club course for a winning total of 6-under 278. After Trevino had bogeyed the 17th hole to fall two shots back, Green put his approach at the par-4 18th into a bunker, but he blasted out to within three feet of the hole and sank the putt.

"If there's anything Hubert can do, it's handle that wedge," Trevino said. "I'd rather see him on the green, 40 feet away, than have him with that wedge in his hand. He's about the best bunker player out here."

Trevino, 45, sprayed too many tee shots and three-putted too many greens on Sunday. He finished 71/20.

Green — whose triumph earned him \$125,000 — had suffered through three dreadful years. Before Sunday, his only victory since 1981 had been in last year's Southern Open. A second major-tournament championship and a renewed qualifying exemption may further elevate a career that already included 18 titles.

"I'm not sure what it means to me yet," said Green, who made the U.S. Ryder Cup team for the third time with his victory. "It's a little like being on the first hour of your honeymoon. It's great, but you haven't done anything yet. I don't think I can compare this to the U.S. Open," which he won in 1977. "When I won that, I was at the top of my game. ... I'll savor this one a little more. Some folks counted me out, but I wasn't gone."

Trevino, who won the 1971 and 1972 British Opens and the 1984 PGA, was attempting a rare "double double" in major championships. He already has six major titles and had been named non-playing captain of the 12-man squad that will meet a European team for the Ryder Cup next month in England. All Trevino was playing for here was a place in history, but it was a place he wanted.

"Looking back at it, who wouldn't have wanted to win this one?" said Trevino. "My putting let me down, but that's what won it for me last year. It tells me I can still play the tough courses."

Those considerable aches by Green and Trevino accounted for a

frantic final round, which amounted to match play after it became apparent that Nick Price (who had been within a stroke at one point), Tom Watson and Fred Couples were not going to threaten the leaders.

Watson and Couples finished as part of a four-way tie for sixth, at 243. Price claimed fifth place at 242.

There were a number of other late charges: T.M. Chen of Taiwan, elder brother of U.S. Open runner-up T.C. Chen, shot a 65 to third with Andy Bean, who closed with a 68 — but none that cut in on the main event. "I felt it was just me and Lee from the ninth hole on," said Green.

For three holes starting with the seventh, Trevino and Green waged an old-fashioned shot-for-shot challenge. The huge galleries were thrilled by the exhibition of two fine golfers with unorthodox styles during each other.

They were tied at six under for the tournament when the duel began. Price was right behind at five under and even briefly joined in the fun.

Those three hit drives within six feet of one another in the fairway of the 405-yard par-4 seventh hole, which has a slight left dogleg. Green hit his approach first, his ball bouncing over the back of the green and into deep grass three feet beyond the putting surface. Trevino

got to within 12 feet of the hole, Price to within eight.

The drama grew when Green, using his choke-up grip on a sand wedge, crouched low and popped his ball onto the green; it trickled another 30 feet — and into the cup for a birdie. But Trevino and Price quickly sank their birdie putts.

Price reached the green of a 343-yard par-3 eighth hole with his tee shot, but Green went way right in trampled-down grass. Trevino hit a poor tee shot into a front bunker. Green hit first and chipped 18 feet past the cup. Trevino blasted to within four feet of the hole, putting pressure on Green. But Green sank his par-saver and Trevino made his up-and-down putt. Price two-putted for par from 35 feet.

□

The best shots in the duel came at the ninth, a 438-yard par-4. Green and Trevino drove the fairway but Trevino was quite short. Price drove into the right rough.

Trevino's 200-yard approach stopped 15 inches from the cup. Green couldn't see the shot because the putting surface is of the uphill fairway. But he heard the roar — and then hit a 180-yarder to within 18 inches of the cup. That drew an even louder roar from a crowd witnessing the best stretch duel in a major tournament this year.

"That's what it's all about," said Green. "Lee hit one stiff, and I came right back and hit one nearly as close."

Both Green and Trevino sank their birdie putts (Price had a bogey 5) and made the turn tied for the lead at seven under. Trevino bogeyed from a bunker at No. 10. And Green was a shot in front with eight holes to go.

Green had lost his three-stroke lead over the first five holes, and fell to one back at the 543-yard par-5 fifth when Trevino recorded a superb eagle 3 as Green was taking a bogey 6. On the 11th, Green fell back into a tie for the lead when he bogeyed and Trevino three-putted for a par 5 — from 15 feet.

The defending titlist also three-putted the 15th (from 12 feet); again Green had a stroke lead, but this time with only three holes to go.

The turning point was the 11th hole, Trevino said. "and the 15th was lights out."

Trevino struggled to save par 4 at No. 16 when he drove the left rough, hit his second shot into deep rough short of the green, but pitched to within four feet and sank the putt. Green's par was routine.

The par-5 17th gave Trevino more difficulty as he drove into the right rough and remained there after his second shot advanced him another 175 yards. His third shot

was a fly out of the grass; his ball rolled off the back of the green. From a downhill lie, Trevino pitched to within four feet of the pin, but his chances ended right there. He missed that short par putt and was two shots behind Green going to the difficult 491-yard par-4 finishing hole.

Both leaders remained highly critical of the Cherry Hills greens. Even after he chipped in from 35 feet on No. 7, Green stomped off and started talking to himself. He had hit a "perfect 8-iron" approach, he said, and was still mad.

"I was furious — I lost my composure, but I couldn't believe what was happening. Because the greens were tricked up, I never knew what to expect. One green would be like a brick and the next one would be soft."

Sunday night, Green was thinking back to the 1977 season and his U.S. Open victory. "I had won four tournaments the year before and had been among the leading money winners for three or four years, and it was more or less expected that I would win a major championship," he said.

"This time, I came back after being down — I died a couple of years ago. It's nice being on top again and having friends stop me in the locker room and say, 'Nice game, Hubert.' (NYT, WP, LAT)

The Associated Press
Contenders in the main event: 1985 PGA champion Hubert Green, right, and Lee Trevino.

Except for a faceful of dust, Juan Samuel came up empty on this steal attempt Sunday against St. Louis, but the Cardinals had to face up to the Phillies' knocking them out of first.

SCOREBOARD

Golf

PGA Tournament

Final scores and pairings in the 67th PGA championship, which ended Sunday on the 7,083-yard, par-71 Cherry Hills Country Club course in Denver.

Lee Trevino, \$75,000
64-67-71-72—278
Andy Bean, \$42,500
71-70-72-68—281
Tom Kite, \$42,500
69-70-71-65—281
Roger Maltbie, \$4,000
70-71-72-74—285
Nick Price, \$2,000
70-69-72-74—283
Fred Couples, \$1,000
70-71-72-73—283
Bobby Gordan, \$1,000
73-75-76-73—283
Corey Pavin, \$1,000
64-65-73-69—283
Peter Jacobsen, \$1,000
66-71-73-72—284
Lenny Wadkins, \$1,250
70-71-72-74—285
Pete Dye, \$1,000
70-72-73-74—285
Tom Kite, \$1,000
69-71-71-70—285
Don Pohl, \$9,017
73-74-69-70—285
Dwight Tewell, \$9,017
64-72-71-77—285
Scott Simpson, \$9,017
73-69-72-73—285
Wayne Levitt, \$6,000
72-67-71-71—284

Bob Cilley, \$6,400
72-70-74-70—284
Calvin Peete, \$6,400
69-70-72-70—284
Craig Stadler, \$6,400
72-73-74-70—284
White Wood, \$5,200
70-71-72-70—284
T.C. Chen, \$5,200
72-74-74-74—287
Larry Nelson, \$5,200
70-71-72-70—287
Larry Mize, \$5,200
70-71-72-73—287
Roger Maltbie, \$4,000
70-71-72-74—285
Nick Price, \$2,000
70-71-72-74—283
Fred Couples, \$1,000
70-71-72-73—283
Bobby Gordan, \$1,000
73-75-76-73—283
Corey Pavin, \$1,000
64-65-73-69—283
Peter Jacobsen, \$1,000
66-71-73-72—284
Lenny Wadkins, \$1,250
70-71-72-74—285
Pete Dye, \$1,000
70-72-73-74—285
Seve Ballesteros, \$1,400
70-72-74-70—284
Jeff Hagan, \$2,000
71-72-74-70—284
Dave Barr, \$2,000
70-71-72-73—284
Frank Cather, \$2,000
71-72-73-70—284
Bob Murphy, \$2,000
70-71-72-73—284
Don Prosky, \$1,400
71-72-73-70—284
Phil Mickelson, \$1,000
71-72-73-70—284
Dante Muzio, \$1,000
74-73-74-70—281

Tim Norris, \$2,000
71-70-74-76—294
Mark Phelan, \$2,000
69-70-72-70—284
Bill Kretzsch, \$2,000
72-73-74-70—284
Mark Lavelle, \$2,000
70-71-72-70—284
David Orrin, \$2,000
70-71-72-70—284
George Archer, \$2,000
72-73-74-70—287
Donny Edwards, \$2,000
70-71-72-73—287
Ed Fiedor, \$1,000
69-70-72-74—285
Howard T. Smith, \$1,000
70-71-72-73—285
Mike Hinckle, \$1,000
70-71-72-73—285
Bill Gleason, \$1,000
71-72-73-70—284
Fuzzy Zoeller, \$1,000
71-72-73-70—284
Morris Hotsikas, \$1,000
69-70-72-70—284
Nick Faldo, \$1,000
70-71-72-70—284
Tom Kite, \$1,000
70-71-72-73—284
Dave Stockton, \$1,000
72-73-74-70—285
Ben Crenshaw, \$1,000
70-71-72-73—285
Gary Player, \$1,000
70-71-72-73—285
Phil Mickelson, \$1,000
71-72-73-70—284
Ron Strock, \$1,000
70-71-72-73—284

LEADERS' FINAL-ROUND CARDS

Par out 444 452 450 456
Green out 445 452 450 456
Travis out 445 452 450 456
Bart out 343 443 434 434
Chen out 344 443 433 433
Price out 444 433 433 433
Per 18 453 462 460 458-73-394
Par 36 70-71-72-73-294
Par 45 70-71-72-73-294
Par 54 70-71-72-73-294
Par 63 70-71-72-73-294
Par 72 70-71-72-73-294
Par 81 70-71-72-73-294
Par 90 70-71-72-73-294
Par 99 70-71-72-73-294
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Par 414 70-71-72-73-294
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PEOPLE

Shriver Daughter to Wed
Arnold Schwarzenegger

Maria Shriver, 29, a radio reporter and niece of John F. Kennedy, plans to marry Arnold Schwarzenegger, 38, the body builder known for his muscle-men roles in films such as "Commando: The Power," the Boston Herald reports. Shriver is the daughter of the 1972 Democratic vice-presidential candidate, George Shriver, and his wife, the former Eunice Kennedy, the slain president's sister.

Simon le Bon, 26, lead singer of the British band Duran Duran, and five crewmen milled in an air pocket in the hull of his yacht for 20 minutes after the craft overturned in gales off Falmouth, England. They were freed by a diver.

The Italian tenor Luciano Pavarotti, the Greek mezzo-soprano Agnes Baltsa and the Spanish tenor Jose Carreras plan to participate in a charity concert for African famine victims Aug. 18 in Verona, Italy. A publicist, Don Pescioli, said the show would feature the actors Burt Lancaster and Christopher Lee as announced. Meanwhile, organizers of last month's Live Aid rock concert announced plans for a weeklong benefit sports festival next May in Birmingham, England.

The Filipino film director Lino Brocka, 46, will receive the 1985 Ramon Magsaysay award for journalism, literature and creative communication arts. An opponent of the government, Brocka was jailed for two weeks early this year after a riot. His 1984 film, "Bayan Ko: Kapit sa Patsafin" (My Country is Desperate Straits), which has not been commercially released, was voted best film of the year by the British Film Institute. Brocka was the fifth person this year named to receive a Magsaysay award; each carries a cash prize of \$20,000.

Leonard Bernstein took his Hiroshima remembrance concerts back to Europe, sharing the baton with Eiji Oue of Japan in a performance of traditional and contemporary works in Budapest. The tour, in memory of the atomic bombing of Hiroshima and Nagasaki 40 years ago, began Aug. 1 in Athens and moved to Hiroshima on Aug. 6, the date the city was bombed.

LONDON POSTCARD

A Couch in Hampstead

By Michael Wiese
Review

LONDON — The world's most famous couch is in storage, awaiting completion of a museum at the spacious red-brick house in Hampstead where Sigmund Freud found refuge from the Nazis in the last year of his life.

Freud's library, his collection of antiquities, and the couch draped with an Oriental carpet, upon which his patients summoned up their pasts, will be put in place after the Edwardian house has been fully restored, a project scheduled to be finished by the end of next month.

The museum will not open to the public until next May, but its site, where the founder of psychoanalysis moved from Vienna in 1938, where he died and where his daughter Anna lived until her death in 1982, is already an attraction, as is the flat at Berggasse 19 in Vienna, where Freud developed his theories of human behavior.

The Vienna flat became a museum after the end of World War II. Anna Freud, an important child psychiatrist, agreed to send a few of her father's possessions for display there, but most remained with her in the three-story house at 20 Maresfield Gardens, Hampstead.

As the renovation work nears completion, "No Trespassing" signs ward off the many zealous Freudians who may be tempted to go beyond the rose bush hedge at the front of the property.

"I could set up a booth out here for all the people who stop by," said the curator, David Newlands. As he spoke, a psychology student arrived to try for a look around.

The situation was similar when Freud first came to London at the age of 82. "The reception in Victoria Station and then in the news-papers of these first two days was most kind, indeed enthusiastic," he wrote. "We are buried in flowers."

He was visited by eminent scientists, the Zionist leader Chaim Weizmann and the writers H. G. Wells and Stefan Zweig. Salvador Dali came to sketch his portrait.

Freud had cancer and often had to put off guests. He spent many days sitting quietly in the garden. In the just over 12 months before he died, though, he felt well enough at times to conduct four analyses daily, put the final touches on his book "Moses and Monotheism."

and work on another book, "The Outline of Psychoanalysis," which he never completed.

He did all this in a familiar setting. The Freuds were accompanied from Vienna by a housekeeper who took care to reassemble the extensive library and collection of Greek, Egyptian and primitive sculpture as they had been in the Berggasse.

"When it's put back again," said Newlands, "it will feel much the same." He will rely on pictures of the Berggasse flat taken a few days before the Freuds abandoned it, and photographs made in Maresfield Gardens shortly after Anna Freud's death.

A slight difference is that the local borough council has said that the top story, with its white-painted dormer windows, must be let out as an apartment. The council has been warned that, since so many famous people lived in the area, Hampstead's housing could become "fossilized" if many former residences were turned entirely into museums.

The nearby house of the poet John Keats is one. Prime Minister Herbert Asquith lived in Maresfield Gardens, too, and the Fabian socialists Sidney and Beatrice Webb lived a short walk away.

The U.S.-based Freud Archives, in charge of the bulk of Freud's papers deposited with the Library of Congress, is spending \$800,000 (a little over \$1 million) on new insulation, modern lighting and security equipment at the Freud house.

Newlands said the museum "is not going to be a secular temple. To some people, it will be. But I want it to be more than that." Lectures and changing exhibitions on the development of the psychoanalytic movement are planned, aimed at laymen and psychiatrists alike.

The books in the library are being microfilmed and experts are examining annotations Freud made in their margins. The films will make much of the materials available for the first time to scholars around the world.

The museum also plans to buy new material providing insights into psychoanalysis. A museum pamphlet cites Freud's sentiments on the subject: "A collection to which there are no new additions is really dead."

Art Buchwald is on vacation.

Trend Time in the South: From 'Shine to Wine

By Dudley Clendinen
New York Times Service

CLAYTON, Georgia — As a chorus of katydids began to serenade the fall of night from the mountain laurel beyond the cabin porch, Tobe, a "white hiker" man, held a glass of his host's homemade wild fox grape wine. All things considered, said, "I'd rather have my old moonshine."

Behind the cabin, the mountain rose into the Chattahoochee National Forest. "Back in the '50s I'd have three or four stills going at the same time," Tobe said. He cooked his mash into the 1960s, and in hidden gullies near clear streams in the vastness of the woods here, other men still do, selling shine by the gallon jug.

Up in Asheville, North Carolina, William A. V. Cecil has 220 acres of vines under cultivation and a winery in operation at his grandfather's historic Biltmore estate, selling the Chateau Biltmore label to tourists and to 18 store accounts in North Carolina. G. R. Ammerman, head of the department of food science and human nutrition at Mississippi State University at Starkville, said there were no commercial wineries in the region 10 years ago.

The new commercial efforts have not been, as Slick put it, "a lead-pipe cinch." He has had to battle record droughts, record rains, record freezes and the dry passions of local Southern Baptists, who approve of grapes but not fermenting them. Like Slick's grapes, the Biltmore vineyards were hurt by crippling freezes last winter, and many vineyards have failed because of weather, fungi, bacteria, public rejection or inadequate financing.

In northern Georgia and across the South, the time, the tastes and the population have been changing in red clay fields beside the woods and hills that once held stills, a new breed of farmer is planting vines. And from Florida to Virginia, from Mississippi to the Carolinas are wineries making wine.

There were five vineyards in Florida a year ago, all of them new. Now there are two. But the fact of dozens of commercial vineyards across the South, and their attempt in the last five years to grow European vines, has made reality of an old American dream.

"One of the foremost authorities of our era of European wines was Thomas Jefferson," said Parks Redwine, a wine judge who established the first annual Southern Barrel Tasting at the Atlanta International Wine Festival last October. "At his home in Monticello, in Virginia, he attempted to grow the fine European vines. And every time, they would die."

Now, in Virginia, in the Carolinas, in north Georgia, northern Mississippi, even in Florida, Redwine said, "Vitis vinifera, the type of wine grape that all the fine wines of the world come from," is being grown.

"This all happened in the 1920s, and it stimulated planting in Florida like mad," he said. But the bacteria and fungi of a subtropical climate attacked the

planting of that grape and of French-American hybrids, to-

gether with a continuing effort to civilize the strong, sweet native grapes of the South, constitute the new viticulture of the region. It is being aided by research and training programs developed at the University of Florida and Mississippi State University.

Like the moonshine industry of earlier years, the new viticulture has roots in Prohibition. The passing of the Prohibition law actually stimulated the growing of grapes in this country," said John A. Mortensen, a geneticist and professor of viticulture at the University of Florida. During Prohibition, grapes ostensibly failed as food, but "people were buying the grapes and making their stuff at home," Morten said.

It produced several varieties in the 1960s and 1970s, vines that awaited the interest of those willing to risk planting them commercially. The Stover grape, named for the scientist who bred it at Leesburg in 1968, now flourishes among the French-American hybrids planted at LaFayette Vineyard near Monticello, Florida. "It makes a darn good champagne," said Adams, the California wine author.



Joe Saba/The New York Times

Erin Kinney, of Stonepile Vineyard, checking grapes.

vines with equal vigor, and like Jefferson's plantings they began to die.

In 1933, the Florida grape growers' association lobbied the state legislature for money to allow the Watermelon Field Laboratory in Leesburg to research the problem. As the vines succumbed in the 1940s to disease and the effect of Prohibition's end, the laboratory began to develop the first disease-resistant grapes.

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American wine consumption has quadrupled over the last 12 or 15 years, Adams said, and as the growing national appetite encouraged entrepreneurs to once again attempt to establish vineyards in the South. Mississippi State University began producing wine makers.

The enology laboratory there was established in the mid-1970s by a university vice president who liked wine and had an empty, chateau-like building on campus, Adams said. Its students are trained by Professor Richard P. Vine, who learned his art in the New York wine region.

One of his graduates, Russell Jones, works for Slick's Vineyard producing vintals, chardonnays, sauvignon blancs and dry muscadines under the Habersham label. While Erin Kinney, a Georgia college graduate, tends the vines and Jones worries about the cold, the wet, acidity and alkalinity, Slick worries about the Southern Baptists.

The Habersham County Commission, in a meeting room filled with protesting Baptists, refused to give him a license to ferment his grape juice into wine in the county. The two commissioners who voted against it were unfazed by the Biblical story of Jesus making wine from water.

"But that was pure wine," Commissioner Hebron Lovell insisted in a television interview about the vote. Of the wine Slick wanted to make, he said, "It's got a lot of alcohol in it, and Jesus, evidently, he done was perfect."

The Clarksville city fathers turned Slick down, too, one of them declaring: "I don't know why Jesus did that. It's been an embarrassment to me all my life."

Finally, Slick found a refuge for his winery in the town of Baldwin. From there he continues the economic fight for survival.

For the Southern wine industry, it appears that where there is a will, there is a way. As one moonshiner in northern Georgia told Dobbins last fall, after being told that the weather was turning too chill to allow him to ferment the grapes he had gotten from an overturned truck: "I don't give a damn. If it don't work, I'll run 'em through the still."

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